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**Holy Rood Catholic Primary School**

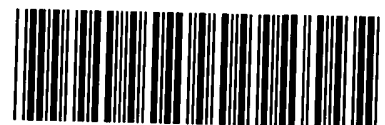
(A company limited by guarantee)

Company Registration Number: 07697045 (England and Wales)

**Annual Report and Financial Statements**

**Year Ended 31 August 2017**

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COMPANIES HOUSE

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**Reference and administrative details****Members**

Anne Jones

Declan Lang

The Clifton Catholic Diocesan Education Consortium

**Governors' serving for the year 1<sup>st</sup> September 2016 to date unless otherwise indicated**Paul Boyles\* (resigned 27<sup>th</sup> September 2016)

William Campbell\*

Tim Crook\*

Rebecca Deighton\*

Naomi Fry\*

Phil Gilvin

Christine Hopkins\* (resigned 14<sup>th</sup> September 2016)

Chris Horgan\*

Anne Jones

Darota Kieljan

Phil Paton\*

Aisling Roberts

Peter Scutt

Helen Walsh

Luisa Weston (formerly Gemoli, appointed 27<sup>th</sup> September 2016)Jose Almeida (appointed 1<sup>st</sup> February 2017)

Olencia Vales

\* Indicates members of the finance, buildings and risk management committee

**Senior Management Team:**

Naomi Fry Head Teacher, Accounting Officer

Luisa Weston (formerly Gemoli) Assistant Head Teacher

Elizabeth Kitchen Teacher and SENCO

Natasha Patani Teacher

Rebecca Deighton School Business Manager

**Company Secretary:**

Jo Tudor

**Auditors:**

Monahans Chartered Accountants, 38-42 Newport Street, Swindon, SN1 3DR

**Bankers:**

Lloyds TSB, 5 High Street, Swindon, SN1 3EN

**Solicitors:**

Rickerby's LLP Solicitors, Ellenborough House, Wellington Street, Cheltenham, Gloucestershire, GL50 1YD

**Surveyors:**

The Hookway Partnership, LLP, The Dunstan Centre, Pennywell Road, Bristol, BS5 0TJ

**Insurance Providers:**

Zurich Municipal, The Zurich Centre, 3000 Parkway, Whitley, Fareham, Hampshire, PO15 7JZ

**Trustees' Report**

The Governors present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2017.

The trust currently operates an academy for pupils of different abilities between the ages of 4 to 10 years (which will increase to 11 years by 2018 as the school completes its expansion), with the emphasis on maintaining the Academy's Catholicity.

**Structure Governance and Management****Constitution**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Companies Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as Trustees for the charitable activities of Holy Rood Catholic Primary School and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Holy Rood Catholic Primary School.

Details of the Governors who served throughout the period, except as noted, are included in the reference and administrative details.

**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.

**Governors' Indemnities**

In accordance with the Companies Act 2006 it is confirmed that the Academy insurance cover includes Governors' indemnity.

**Method of Recruitment and Appointment or Election of Governors**

The Diocesan Bishop, following any recommendation from the Diocesan Education Trustees, may appoint the nine Foundation Governors, three of whom at least shall be eligible for election or appointment as Parent Governors. The Governing Body may appoint three Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. Three Parent Governors and one Community Governor are elected in accordance with the Department for Education guidance. The total number of Governors is therefore sixteen.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend on their existing experience and is relative to the needs of the individual governor, covering educational, legal and financial matters. The Academy subscribes to Swindon Borough Council Governor Support which provides a full programme of training for the governing body. Clifton Catholic Diocese also provide training and support for all new governors. All new Governors will be given a tour of the Academy and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. All members of the governing body are DBS checked and each governor is required to have read the "Keeping Children Safe in Education – Part One" document.

**Organisational Structure**

The Academy has a leadership structure which consists of the Governors, Head Teacher, and senior management team. The leadership is committed to professional development and succession planning for the benefit of the Catholic community.

The Head Teacher is the Accounting Officer.

**Trustees' Report (continued)**

|                       |
|-----------------------|
| <b>Members</b>        |
| <b>Trustees</b>       |
| <b>Governing Body</b> |

|                                |
|--------------------------------|
| <b>Senior Leadership Team</b>  |
| <b>Head Teacher</b>            |
| <b>Assistant Head Teachers</b> |

|                               |
|-------------------------------|
| <b>Senior Management Team</b> |
|-------------------------------|

|                       |                      |                    |
|-----------------------|----------------------|--------------------|
| <b>Class Teachers</b> | <b>Support Staff</b> | <b>Admin Staff</b> |
|-----------------------|----------------------|--------------------|

**Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the academy trust for the year ending 31<sup>st</sup> August 2017 comprise of the trustees and the senior management team as listed on page 3. The key management personnel have increased from 1<sup>st</sup> September 2017 as the school is continuing its expansion.

There is a pay policy which complies with the School Teachers' Pay and Conditions Document (STPCD) for 1 September 2016 to 31 August 2017 and applies to all teaching staff employed at Holy Rood Catholic Primary School Academy.

For all non-teaching staff the Academy has agreed to follow the pay structure of the Local Authority (Swindon Borough Council) and implement all pay recommendation agreed by the relevant unions.

The Trustees (excluding staff) do not receive any pay/remuneration for carrying out their roles.

**Connected Organisations, Including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Academy. The Academy has worked with Clifton Diocese in accordance with Canon Law and the teachings of the Roman Catholic Church. The Academy has strong links with and works in close collaboration with Holy Cross Catholic Primary School. There is a formal collaborative working agreement in place with the other Catholic schools within the cluster with a focus on five main areas, these being; the development of middle leaders, safeguarding and child protection, shared services, transition (progression), collective worship, which are for the benefit of all children in Swindon and Malmesbury Catholic schools. The partnership also collaborates for joint staff training days, sharing of expertise, and procurement of outside agencies to support extensive curricular activities.

School meals are continuing to be provided by Pabulum. Up until 31<sup>st</sup> August 2017 these meals were prepared offsite by local secondary school, Churchfields Academy and delivered to our Groundwell Road site. The catering contract with Pabulum also provided meals to the children on the Upham Road site which has worked effectively. The management of this contract transferred from Holy Cross Catholic Primary School to Holy Rood Catholic Primary School on 1<sup>st</sup> September 2016. From 1<sup>st</sup> September 2017 the contract will be terminated with Churchfields Academy and the meals for both sites will be prepared at the Upham Road site.

The Academy has continued to develop its relationship with local supermarkets Morrisons and The Co-operative. Regular donations were received from them as part of their working within the local community project.

A governor from the Academy, who is also a secondary school teacher, successfully applied for a grant from the Let Teachers SHINE competition. The grant will be used to support primary school teachers and whole schools with the delivery of their science curriculum during the 2017-2018 academic year. The aim is to make science engaging and accessible so that all children feel they have the confidence

**Trustees' Report (continued)**

and skills to become scientists of the future. The Academy hopes by having a secondary science lead practitioner and governor being proactive in supporting the delivery of a high-quality science curriculum, children can have a memorable and engaging experience of science no matter what their ability and/or background. The intention is that lessons will become much more practical and the emphasis will be on the language that the children use, therefore having a greater impact on their progress due to a deepened understanding of vocabulary and content of the curriculum.

**Objectives and Activities**Objects and Aims:

The Academy Trust's objectives are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

We are a Catholic school. All the members of the school community support the all-encompassing Christian ethos of the school and our faith is an integral part of our life and work. We seek to enjoy and explore the world around us and respond to God's wonderful creation in praise and thanksgiving. We want each child to know God as our loving Father and respond to Him and everyone with love. We pray and work for people in the wider world.

Each member of the school community and everyone we meet is valued and respected. As we continue on our journey of faith we try to follow Jesus in sharing with and caring for one another.

We endeavour to act justly, to be peacemakers, to enable every member of the school community to be able to accept and give forgiveness. We create a safe and secure environment in which everyone can be happy, healthy and able to work effectively, so that our children may achieve their full potential in all areas of the curriculum.

We endeavour to ensure as consistent an approach to behaviour as possible by all adults working with the child, including the parents and carers. We aspire to be positive; praising those who are behaving appropriately so that children are helped to become sensitive to, and understand the effects of their actions on other people.

We follow the Church's year, foster an awareness of the sacramental life of the church and give great emphasis to personal, social and health education. We seek to nurture, support and develop each child's self-esteem and enable them to make a positive contribution both to the school and in the wider community. We aspire to help build a sound foundation from which the children will eventually be able to achieve a social, moral and cultural understanding of the world to enable economic well-being and spiritual fulfilment.

Safeguarding children is enshrined in all school policies and practise. We believe in creating and maintaining a healthy, safe and enjoyable learning environment for all children to allow them to achieve and make a positive contribution.

Strategies and Activities:

The Academy's main strategy is encompassed in its Mission Statement which is detailed in the "Objects and Aims" section.

The school is also committed to providing:

- a broad and balanced curriculum
- teaching and learning opportunities that aspire to high achievement for all the children
- training opportunities for all staff
- a programme of sporting and after school activities

**Trustees' Report (continued)**

- a commitment to the catholic education, including fundraising activities in support of charitable organisations
- weekly Mass for children and staff
- whole school assemblies and class collective worship
- effective split site working with a clear shared ethos and expectation through enhanced communication
- effective collaborative working partnership with the catholic cluster schools

**Public Benefit:**

The Governors have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake. The Governors consider that they have acted in the public benefit. The Academy reached out to the community by supporting CAFOD, Mission Together, and Rainbow Day charities. Work experience placements have been provided for students from local schools and colleges. There has been liaison with the Holy Rood Parish for parish events such as the children's liturgy and First Communion programme. The school has accommodated parish events in the school hall. The Parents and Friends Association have supported the school by promoting fund raising and social events outside of the normal school pattern. The Academy hires out the school buildings to local groups for the benefit of the local community.

**Strategic Report****Achievements and Performance:**

The Academy continues to be committed to observing the importance of performance indicators to ensure that it strives for both educational and financial excellence. Our Academy was judged 'Good' in all sections of the Ofsted Section 48 Report October 2016 and as 'Outstanding' in 29 of the 31 judgements in the Section 5 Ofsted Report July 2011.

Premises development took place during summer 2016. Works were carried out on the Upham Road site in preparation for the continued school expansion. Classrooms were refurbished and new furniture, equipment and resources were purchased. A grant was received from the Clifton Diocese to cover expenditure of the expansion.

The Academy continued to provide a breakfast club where children can attend from 7.30am each day enabling working families to have more flexibility with childcare arrangements as well as providing the children with an exciting array of activities, a chance to socialise with their peers before school as well as providing them with a nutritious and varied breakfast.

During the year, the Academy set up a walking bus to assist parents with dropping off their children between the two school sites.

The Academy appointed two new members of staff to the senior leadership and management team. These two new members of staff will help the school to produce a rigorous and detailed school development plan with enhanced knowledge of end of key stage two expectations. This knowledge and expertise will be of high importance as the school continues its expansion by having year 6 pupils. The Academy has secured a new school improvement partner who has a wealth of experience as not only head teacher but also as a current Ofsted inspector.

The Big Lottery Fund grant enabled the Academy to organise an inclusive art project within the school and the wider community which enabled us to celebrate the rapidly changing diversity of the town by bringing people of all ages and cultures together. The project resulted in an inspirational display being a focal point in our school hall. There was also an additional art project carried out which incorporated the children creating two large crosses for both of our school sites which represents our unity as a school as well as our distinctive catholic faith and mission.

Continued support from the Parents and Friends Association has enabled the Academy to have the following educational visits; Ten-Ten Theatre Group Visit, Explorer Dome Science Show, providing funds for the upkeep of the conservation area at the Upham Road site, and a visit from Jonathans Jungle roadshow. These activities provide a broader learning experience which will have a positive impact on the children's development throughout the school.

## Trustees' Report (continued)

## Key Stage 1 Assessments 2017

## Holy Rood

## School compared to Local Authority and National

|               |             | Cohort | School | LA    | National |
|---------------|-------------|--------|--------|-------|----------|
| PKF and below | Reading     | 60     | 1.7%   | 5.5%  | #N/A     |
|               | Writing     | 60     | 0.0%   | 5.8%  | #N/A     |
|               | Maths       | 60     | 3.3%   | 4.8%  | #N/A     |
| WTS           | Reading     | 60     | 28.3%  | 17.4% | #N/A     |
|               | Writing     | 60     | 36.7%  | 22.4% | #N/A     |
|               | Maths       | 60     | 16.7%  | 17.1% | #N/A     |
|               | Science HNM | 60     | 18.3%  | 15.4% | 17.4%    |
| EXS+          | Reading     | 60     | 70.0%  | 76.1% | 75.6%    |
|               | Writing     | 60     | 63.3%  | 70.6% | 68.2%    |
|               | Maths       | 60     | 80.0%  | 76.7% | 75.2%    |
|               | Science     | 60     | 81.7%  | 83.2% | 82.6%    |
|               | R+W+M       | 60     | 60.0%  | 66.4% | 63.7%    |
| GDS           | Reading     | 60     | 30.0%  | 26.0% | 25.2%    |
|               | Writing     | 60     | 13.3%  | 16.5% | 15.6%    |
|               | Maths       | 60     | 10.0%  | 20.1% | 20.5%    |
|               | R+W+M       | 60     | 1.7%   | 11.4% | 10.9%    |

## Early Years Foundation Stage Profile 2017

## Holy Rood

## 4 Year Trend: School, Local Authority and National - GLD

|              |        | Good Level of Development |       |          |
|--------------|--------|---------------------------|-------|----------|
|              | Cohort | School                    | LA    | National |
| <b>All</b>   |        |                           |       |          |
| 2014         | 59     | 42.4%                     | 60.6% | 60.4%    |
| 2015         | 60     | 55.0%                     | 67.6% | 66.3%    |
| 2016         | 60     | 60.0%                     | 68.8% | 69.3%    |
| 2017         | 60     | 58.3%                     | 69.9% | 70.7%    |
| <b>Girls</b> |        |                           |       |          |
| 2014         | 34     | 50.0%                     | 69.2% | 68.7%    |
| 2015         | 29     | 58.6%                     | 75.8% | 74.3%    |
| 2016         | 29     | 65.5%                     | 76.4% | 76.8%    |
| 2017         | 31     | 74.2%                     | 77.0% | 77.7%    |
| <b>Boys</b>  |        |                           |       |          |
| 2014         | 25     | 32.0%                     | 52.9% | 52.0%    |
| 2015         | 31     | 51.6%                     | 60.3% | 58.6%    |
| 2016         | 31     | 54.8%                     | 62.0% | 62.1%    |
| 2017         | 29     | 41.4%                     | 63.1% | 64.0%    |



## Trustees' Report (continued)

## Early Years Foundation Stage Profile 2017

Holy Rood

School compared to Local Authority and National - Pupils achieving at least expected

| Pupils achieving at least expected level          |                                     | Cohort | School | LA    | National |
|---|-------------------------------------|--------|--------|-------|----------|
| <b>Communication and Language</b>                 | Listening and Attention             | 60     | 81.7%  | 86.4% | 86.2%    |
|   | Understanding                       | 60     | 78.3%  | 85.9% | 85.9%    |
|   | Speaking                            | 60     | 75.0%  | 85.2% | 85.4%    |
|   | <b>Area of Learning Total</b>       | 60     | 75.0%  | 81.6% | 82.0%    |
| <b>Physical Development</b>                       | Moving and Handling                 | 60     | 88.3%  | 89.4% | 89.6%    |
|   | Health and Self Care                | 60     | 80.0%  | 91.8% | 91.3%    |
|   | <b>Area of Learning Total</b>       | 60     | 80.0%  | 87.4% | 87.4%    |
| <b>Personal, Social and Emotional Development</b> | Self-confidence and Self-awareness  | 60     | 81.7%  | 88.1% | 89.0%    |
|   | Managing Feelings and Behaviour     | 60     | 73.3%  | 87.3% | 88.0%    |
|   | Making Relationships                | 60     | 78.3%  | 89.4% | 86.7%    |
|   | <b>Area of Learning Total</b>       | 60     | 71.7%  | 84.1% | 85.1%    |
| <b>Literacy</b>                                   | Reading                             | 60     | 66.7%  | 76.3% | 77.1%    |
|   | Writing                             | 60     | 63.3%  | 72.6% | 73.3%    |
|   | <b>Area of Learning Total</b>       | 60     | 61.7%  | 72.0% | 72.8%    |
| <b>Mathematics</b>                                | Numbers                             | 60     | 71.7%  | 78.7% | 79.2%    |
|   | Shape, Space and Measures           | 60     | 70.0%  | 81.5% | 81.6%    |
|   | <b>Area of Learning Total</b>       | 60     | 65.0%  | 77.1% | 77.9%    |
| <b>Understanding the World</b>                    | People and Communities              | 60     | 68.3%  | 85.8% | 85.7%    |
|   | The World                           | 60     | 75.0%  | 86.0% | 85.7%    |
|   | Technology                          | 60     | 96.7%  | 94.4% | 92.6%    |
|   | <b>Area of Learning Total</b>       | 60     | 68.3%  | 83.9% | 83.5%    |
| <b>Expressive Arts Designing and Making</b>       | Exploring using Media and Materials | 60     | 81.7%  | 89.5% | 88.7%    |
|   | Being Imaginative                   | 60     | 80.0%  | 88.6% | 88.3%    |
|   | <b>Area of Learning Total</b>       | 60     | 78.3%  | 87.1% | 86.7%    |

## Early Years Foundation Stage Profile 2016

Holy Rood

School compared to Local Authority and National - Pupils Achieving at least expected

| Pupils achieving at least expected level          |                                     | Cohort | School | LA    | National |
|---|-------------------------------------|--------|--------|-------|----------|
| <b>Communication and Language</b>                 | Listening and Attention             | 60     | 86.7%  | 87.2% | 86.3%    |
|   | Understanding                       | 60     | 81.7%  | 87.0% | 85.9%    |
|   | Speaking                            | 60     | 81.7%  | 86.1% | 85.1%    |
|   | <b>Area of Learning Total</b>       | 60     | 80.0%  | 82.5% | 81.6%    |
| <b>Physical Development</b>                       | Moving and Handling                 | 60     | 95.0%  | 89.4% | 89.8%    |
|   | Health and Self Care                | 60     | 86.7%  | 91.7% | 91.5%    |
|   | <b>Area of Learning Total</b>       | 60     | 86.7%  | 87.0% | 87.5%    |
| <b>Personal, Social and Emotional Development</b> | Self-confidence and Self-awareness  | 60     | 86.7%  | 90.4% | 89.2%    |
|   | Managing Feelings and Behaviour     | 60     | 86.7%  | 88.4% | 87.9%    |
|   | Making Relationships                | 60     | 91.7%  | 90.1% | 89.5%    |
|   | <b>Area of Learning Total</b>       | 60     | 80.0%  | 85.3% | 84.8%    |
| <b>Literacy</b>                                   | Reading                             | 60     | 76.7%  | 78.3% | 77.0%    |
|   | Writing                             | 60     | 66.7%  | 72.6% | 72.6%    |
|   | <b>Area of Learning Total</b>       | 60     | 66.7%  | 72.2% | 72.1%    |
| <b>Mathematics</b>                                | Numbers                             | 60     | 65.0%  | 79.3% | 78.8%    |
|   | Shape, Space and Measures           | 60     | 71.7%  | 82.9% | 81.7%    |
|   | <b>Area of Learning Total</b>       | 60     | 65.0%  | 77.9% | 77.4%    |
| <b>Understanding the World</b>                    | People and Communities              | 60     | 76.7%  | 86.8% | 85.8%    |
|   | The World                           | 60     | 85.0%  | 87.4% | 85.7%    |
|   | Technology                          | 60     | 98.3%  | 94.9% | 92.4%    |
|   | <b>Area of Learning Total</b>       | 60     | 75.0%  | 84.6% | 83.2%    |
| <b>Expressive Arts Designing and Making</b>       | Exploring using Media and Materials | 60     | 81.7%  | 89.9% | 88.6%    |
|   | Being Imaginative                   | 60     | 75.0%  | 89.3% | 88.1%    |
|   | <b>Area of Learning Total</b>       | 60     | 75.0%  | 87.8% | 86.4%    |

#N/A - Not currently available

**Trustees' Report (continued)**Going Concern:

After making appropriate enquiries, the Governing Body has a high 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.

Key Performance Indicators:

Educational indicators include analysis of results from the Early Years Foundation Stage Profile, Year One Phonics Testing, and End of Key Stage One Tests. In school assessments are carried out three times a year using revised assessment spreadsheets which support the interim framework report. The Academy's assessment tracker system ensures that the school can identify progress of all children from their key stage related starting points, as well as identifying vulnerable groups and individuals, allowing the school to narrow any educational gaps.

The Academy is also monitored through the completion and submission to the Education and Skills Funding Agency of the Academies Budget Forecast return.

Financial Review:

The principal source of funding is from the Department for Education, via the Education and Skills Funding Agency. This funding has supported the key objectives of the Academy. The bulk of the Academy's funding is the General Annual Grant (restricted funding). The Academy has worked with representatives from the Clifton Diocese to secure the relevant funds to meet the needs of the school expansion. The Academy received "Trigger Funding" from the Local Authority to meet the increase in pupil numbers as the school continued its expansion. The restricted fixed asset fund balance which includes unspent capital grants is reduced by annual depreciation charges over the expected useful life of the assets concerned, in line with the rates contained in the Academy's Accounting Policy. The balance sheet includes a liability for £269,000 (2016: £503,000) in relation to the Academy's FRS102 valuation of the local government pension scheme which the Governing Body have agreed should be included within the Risk Register.

Total income for the year = £1,559,000 (2016: £1,222,000), (excluding the £2,172,000 transfer of the Upham Road site into the Academy's accounts).

Total expenditure for the year = £1,618,000 (2016: £1,307,000)

Please refer to the comprehensive auditors' report and the year-end accounts for further details and information regarding the Academy's finances.

Reserves Policy:

The Trustees have determined that the appropriate level of free cash reserves should be approximately £102,000, representing one month's charitable activities resources expended (excluding depreciation). 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 Trustees also note that the academy is currently in the transition period of expanding into an all through primary school so during this period the required reserve balance may change.

At 31<sup>st</sup> August 2017 the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £80,000 (2016: £65,000).

The total balance at 31<sup>st</sup> August 2017 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £140,000.

In total at 31 August 2017, the funds of the academy were £3,572,000, which is represented by £3,492,000 of restricted funds and £80,000 unrestricted funds. £3,679,000 of the restricted funds can only be realised by disposing of tangible fixed assets.

The Governors acknowledge the pension reserve deficit of £269,000 (2016: £503,000) and will monitor the situation with a view to increasing contributions at a later date in order to reduce the deficit.

**Trustees' Report (continued)****Investment Policy:**

The Governors have authorised that any day-to-day surplus monies will be invested in high interest deposit accounts with the current bankers. These monies are accessible should the need arise.

**Risk Management**

The Governors have an agreed risk register, risk strategy and business continuity plan.

The Governors have complied with their duty and identified and reviewed the risks to which the Academy is exposed and have ensured appropriate controls are in place to provide reasonable assurance against fraud and error.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, behaviour and school trips) and in relation to the control of finance. There has been a continuation of operational procedures such as clearances for new staff and visitors and internal financial controls in order to minimise risk.

**Financial and Risk Management Objectives and Policies:**

The Governors have an agreed risk register and business continuity plan. This risk register is regularly reviewed by the governing body.

**Principal Risks and Uncertainties:**

There is a Business Continuity Plan and Risk Register that are subject to an annual review. The highest risks are identified and control procedures agreed by the Governing Body.

The Academy has an effective and robust system of internal controls in place working to the guidance of the Academies Financial Handbook and with policies in place as follows: Finance Policy, Best Value Statement, Depreciation Policy, Debt Write-off and Redundant Equipment Policy.

There is a financial report to every full Governing Body meeting. The Governing Body has appointed a new Responsible Officer during 2016/17, who conducts mini audits throughout the year and provides a report for Governors. There is a secure system for backing-up school data. The asset register is updated accordingly and is subject to regular reviews.

There is an annual health and safety inspection of the premises and a report is submitted to the Governing Body.

The Governing Body strives to ensure that all Academy financial transactions and educational responsibilities are managed within stringent guidelines as set by the relevant authorities such as the Department for Education and the Education Funding Agency.

**Plans for Future Periods**

The Academy maintains a School Development Plan that outlines the educational and financial aims over the next three years. This is a working document which is reviewed on a regular basis at senior management team meetings with all staff and Governors contributing to its development.

EFA approval was given on 4<sup>th</sup> March 2014 for the Academy to expand its numbers on roll to 452 and age range from 4 to 11 years from September 2015.

For the academic year beginning September 2016 Holy Rood Catholic Primary School had two year 3 and two year 4 classes and from September 2017 will have two year 3, two year 4 and two year 5 classes. These year groups are based on the Upham Road site. The Academy will continue to plan for the progressive expansion for the final year.

From September 2016 Holy Rood Catholic Primary School took ownership of the Upham Road site.

**Trustees' Report (continued)**

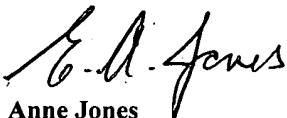
There is a working three year budget plan that is maintained and updated by the School Business Manager. This is reported on at the Finance, Buildings and Risk Management Committee and Governing Body meetings.

**Auditor**

In so far as the Trustees as aware:

- there is no relevant audit information of which the Charitable Company's auditor is 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 auditor is aware of that information.

Trustees' report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 22/11/17 ..... and signed on its behalf by:

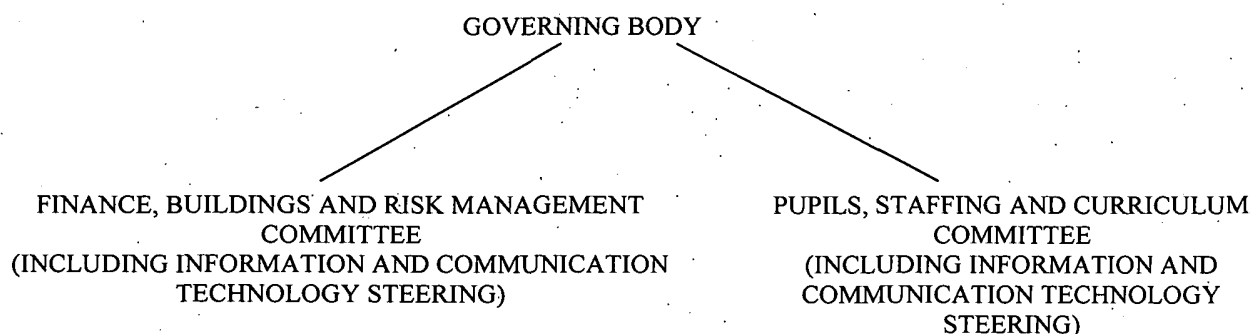


Anne Jones  
Chair of Governors

**Governance Statement****Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Holy Rood 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 Governing Body has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring financial controls conform to 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 Holy Rood Catholic Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The full Governing Body holds at least three meetings a year and Committees meet at least once every term. Governors visit the school regularly and take an active part in school life. All Governors are asked to complete a "Governor Visit Feedback Form" after each visit in to school.

The structure of the main committees detailed on the diagram is as agreed by the full Governing Body. All committees consist of a minimum of four Governors one of whom shall be the Head Teacher. The membership of committees is decided by the full Governing Body. The quorum for any Governing Body meeting and vote must be one half (rounded up to a whole number) of the complete membership of the Governing Body, excluding vacancies. The quorum for any committee meeting and for any vote must be three Governors who are members of the committee (or more) as determined by the committee, one of whom shall be the Head Teacher.

**Governance Statement (continued)****GOVERNORS' ATTENDANCE AT MEETINGS 2016-2017**

The Full Governing Body (FGB) met on:

2016 14<sup>th</sup> September, 23<sup>rd</sup> November,

2017 8<sup>th</sup> February, 26<sup>th</sup> April, 21<sup>st</sup> June, 19<sup>th</sup> July

The Pupils, Staffing and Curriculum Committee (PSC) met on:

2016 2<sup>nd</sup> November

2017 18<sup>th</sup> January, 22<sup>nd</sup> March

The Finance Buildings and Risk Management Committee (FBRM) met on:

2016 28<sup>th</sup> September

2017 18<sup>th</sup> January, 22<sup>nd</sup> March, 21<sup>st</sup> June

The ICT Steering Committee (ICT) met on:

2016 2<sup>nd</sup> November

2017 8<sup>th</sup> February

**Governors' Attendance / Possible Attendance**

|                                    | Full Governing Body | Pupils and Staffing Committee | Finance, Buildings, and Risk Management Committee | Computing and E-Safety Committee |
|------------------------------------|---------------------|-------------------------------|---|----------------------------------|
| Anne Jones<br>(Chair of Governors) | 6/6                 | 2/3                           | n/a<br>2 meetings attended                        | n/a<br>2 meetings attended       |
| Jose Almeida                       | 1/3                 | n/a                           | n/a   | n/a                              |
| Paul Boyles                        | 0/1                 | n/a                           | n/a   | n/a                              |
| Bill Campbell                      | 6/6                 | n/a<br>1 meeting attended     | 4/4   | 2/2                              |
| Tim Crook                          | 6/6                 | n/a                           | 4/4   | n/a                              |
| Rebecca Deighton                   | 6/6                 | n/a                           | 4/4   | n/a                              |
| Naomi Fry                          | 6/6                 | 3/3                           | 4/4   | 2/2                              |
| Phil Gilvin                        | 4/6                 | 2/3                           | n/a   | 2/2                              |
| Chris Horgan                       | 5/6                 | n/a                           | 3/4   | n/a                              |
| Dorota Kieljan                     | 5/6                 | 3/3                           | n/a<br>1 meeting attended                         | n/a                              |
| Phil Paton                         | 3/6                 | n/a                           | 4/4   | n/a                              |
| Aisling Roberts                    | 5/6                 | 1/3                           | n/a<br>1 meeting attended                         | n/a                              |
| Pete Scutt                         | 4/6                 | 2/3                           | n/a   | 2/2                              |
| Olencia Vales                      | 6/6                 | 3/3                           | n/a<br>2 meetings attended                        | n/a                              |
| Helen Walsh                        | 5/6                 | 3/3                           | n/a<br>1 meeting attended                         | n/a                              |
| Luisa Weston                       | 6/6                 | 3/3                           | 4/4   | 2/2                              |

**Governance Statement (continued)*****The responsibilities of the three committees are:-***

**Pupils, Staffing and Curriculum** – All matters relating to personnel, both pupils and staffing and matters relating to the curriculum taught in the school including the allocation of posts of responsibility.

1. Deployment
2. Recruitment and Appointment
3. Induction
4. Development
5. Procedures
6. Supply Cover
7. Leave of Absence

**Curriculum**

1. Religious Education
2. Deciding on the monitoring and reporting strategies to be used which will allow the Governing Body to be sufficiently informed and enable it to fulfil its statutory duty to ensure that the National Curriculum is being followed throughout the school
3. School Development Plan - Curriculum Section
4. Resources
5. Information
6. Special Needs
7. Pupil Premium
8. Sex Education
9. Schemes of work and learning strategies

**Finance, Buildings and Risk Management** – All matters relating to management of risk, budgets, buildings and site.

1. Planning the Budget
2. Approving the Budget including Expansion Budget
3. Monitoring the Budget
4. Scheme of Delegation Review
5. Condition of Site and Premises
6. Repairs and Maintenance
7. Lettings
8. Health and Safety
9. Insurance
10. Planning Strategies
11. Review of the Risk Register

**Information And Communication Technology (ICT) Steering Committee**

*Please note that from September 2017 the ICT committee is being dissolved and these matters will be split between the Pupils, Staffing and Curriculum and Finance, Buildings and Risk Management committees*

1. Considers funding and training requirements to meet ICT targets.
2. Ensures that 'best value' principles are applied whilst making use of available funding.
3. Contributes to the formulation of ICT policy and development plans.
4. Monitors the development of ICT as a curriculum subject.
5. ICT Infrastructure including Split Site Working

A special committee with representatives from the Finance, Buildings and Risk Management Committee and the Pupils, Staffing and Curriculum exists to review salaries. This Committee has no other duties.

Other specific committees set up by the Governing Body include: Admissions Committee, Discipline Committee, Staff Dismissal Committee and Dismissal Appeal Committee.

*The above committees fulfil their respective functions as required by law.*

**Governance Statement (continued)**

During the financial year ending 31st August 2017 there were no key changes in the composition of the board of trustees.

The coverage of work that the governing body carries out and its responsibilities are detailed above.

The board, in collaboration with Clifton Diocese, are overseen internally by an academy governor participating in the "Aspiring Chairs Course", completed a skills audit with a 92% response. The audit allowed the Chairs of Governors and partnership to ensure they have sufficient expertise across their governing body, committees and strategic board, to identify any areas requiring development (gap analysis) and to plan for succession (governor turnover); It also allowed Clifton Diocese to identify areas for diocesan wide training.

The results were collated and analysed by Clifton Diocese. Governor commitment to the school is high and whilst there were some areas identified for development around personal experience across the theme of structures and compliance, this was not regarded as a significant cause for concern as the board is knowledgeable about where to get this expert advice from. Strategic Leadership was considered a strength as several governors have served on the board for a significant period and have relevant experience in business, accountancy and education. There is a comparatively low level of governor turnover at the academy.

The academy has adopted the Catholic Education Service (CES) model Self Evaluation Form for continuous self- assessment. Governors are strongly supported by a very efficient clerk who routinely consults the local authority, Diocese and National Governance Association for advice to support governors in decision making. The ongoing challenges for the board remain the school expansion while ensuring clarity of vision, ethos and strategic direction, holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff as well as overseeing the financial performance of the organisation and making sure its money is well spent

The Head Teacher uses the Analyse School Performance Data (ASP) as well as the local authority data to summarise and highlight key information to share with the board. This allows all stakeholders to have a secure knowledge on the Academy's achievements and school focus areas for the next academic year. The board acknowledges that this information is accurate and gives a comparison to national data.

**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's 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 Holy Rood Catholic Primary School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The management of risk is led by a Governing Body representative, the Head Teacher, the School Business Manager and delegated member of staff. School staff are adequately and thoroughly trained and equipped in all areas affecting any risk to the success of the Academy and the safety of staff and children.

**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 governing body; and
- regular reviews by the Governors' Finance, Buildings and Risk Management committee of reports which measure financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes; and
- setting targets to measure financial and other performance; and
- clearly defined purchasing (asset purchase or capital investment) guidelines; and



**Governance Statement (continued)**

- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governing Body have appointed the accountants, Monahans, to carry out a programme of internal checks. The reviewers role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the period included testing of payroll systems and testing of purchasing systems. The reviewer reports to the Governing body on a regular basis on the operation of the system of control and the discharge of the Governing Body's financial responsibilities. The Governing Body have ensured that there is segregation of duties to maintain good practice. There are stringent guidelines and delegation of duties to maintain good practice relating to all aspects of the Academy's finances. The Scheme of Delegation is reviewed and agreed annually by the Governing Body and is a further safeguard.

**Review of Value for Money**

As accounting officer the head teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by:

- Constantly reviewing our staffing structure to ensure education goals are achieved.

**2016 – 2017****Reception**

In 2016/2017 there was an increase in the number of children entering reception working below and well below the expected level in most areas (30-50secure/40-60 beginning) with a significant number of pupils working below and well below expected in Literacy and Mathematics.

**2016 Baseline Data**

|         |       | Below<br>30-50B-30-50W | Expected<br>50-60B-40-60W | Above<br>60-60B-60-60W |
|---------|-------|------------------------|---------------------------|------------------------|
| CL      | 24.5% | 36.9%                  | 35.2%                     | 0.6%                   |
| PD      | 23.1% | 50%                    | 26.9%                     |                        |
| PSD     | 26.3% | 42.3%                  | 38.2%                     | 1.3%                   |
| L       | 23.3% | 47.1%                  | 59.3%                     |                        |
| Maths   | 40.4% | 48.1%                  | 11.6%                     |                        |
| Average | 27.5% | 44.9%                  | 34.2%                     | 0.4%                   |

| Area of Learning | % working at 30-50s+ at baseline | % achieving at least expected levels by the end of EYFS |        |          | % increase in those expected levels | % diff to National |
|------------------|----------------------------------|---|--------|----------|-------------------------------------|--------------------|
|                  |                                  | School  | LA     | National |                                     |                    |
| CL               | 38.3%                            | 75%   | 81.6%  | 82%      | 36.7%                               | -7%                |
| PD               | 26.9%                            | 80%   | 87.4%  | 87.4%    | 53.1%                               | -7.4%              |
| PSD              | 33.3%                            | 71.7%   | 84.1%  | 85.1%    | 38.4%                               | -13.4%             |
| L                | 29.65%                           | 61.7%   | 72%    | 72.8%    | 32.05%                              | -11.1%             |
| M                | 11.5%                            | 65%   | 77.1%  | 77.9%    | 53.5%                               | -12.9%             |
| Average          | 27.93%                           | 70.68%  | 80.44% | 81.04%   | 42.75%                              | -10.36%            |

**Governance Statement (continued)**

- At the end of the summer term, many children have made rapid progress to narrow the gap between school and national data. A robust Early Years section has been included in the School Development Plan for 2017-2018 to further raise standards and support with the rigorous monitoring and tracking of key skills to support the children with their transition to Year 1.
- The Key Stage One results in Reading, Writing and Maths were broadly in line with the national figures for the number of pupils achieving the expected standard nationally (EXS+) which has provided the school with important key stage information when planning for their journey to the end of KS2.
- Using Pupil premium funding to support and improve the progress, learning opportunities and learning outcomes for our children. Education plans were devised for all our pupil premium children. The proportion of disadvantaged Key Stage 1 pupils that attained at least the Expected Standard exceeded national data for reading, writing and maths.
- Having a Finance, Buildings and Risk Management (FBRM) Committee who take an active role in agreeing each year's budget and how we have utilised our resources to achieve our academic goals.
- The Academy with support from the Parents and Friends Association organising extra-curricular events to enhance every child's learning.
- The Academy continuing to operate a breakfast club.
- Continuing to award the Living Wage Foundation rate of pay as recommended by Cardinal Vincent Nichols in June 2015.
- Letting our school hall to generate income.


**Review of Effectiveness**

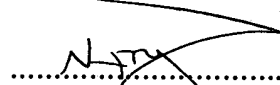
As Accounting Officer, the Head Teacher, has responsibility for reviewing the effectiveness of the system of internal control. During the financial year ending 31 August 2017 the review has been informed by:

- the work of the reviewer; and
- the work of the external auditors; and
- the work of the School Business Manager within the Academy who has 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 governors' Finance, Buildings and Risk Management Committee and it has been noted that no weaknesses have been identified. The committee are continuously looking for ways to improve the systems is in place.

Approved by order of the members of the Governing Body on 22/11/17 and signed on its behalf by:

  
Anne Jones  
Chair

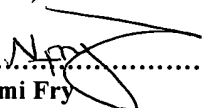
  
Naomi Fry  
Accounting Officer

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Holy Rood Catholic Primary School I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust 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 Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust'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.

  
.....  
Naomi Fry  
Accounting Officer

**Statement of Trustees' Responsibilities**

The Trustees (who act as governors of Holy Rood Catholic Primary School and are also 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 applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education and Skills Funding Agency.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for the year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 Academy will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy's auditor is 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 auditor is aware of that information.

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

Approved by order of the members of the Governing Body on 22/11/17 and signed on its behalf by:

  
Anne Jones  
Chair

**Report of the Independent Auditors to the Members of  
Holy Rood Catholic Primary School**

**Opinion**

We have audited the financial statements of Holy Rood Catholic Primary School (the 'charitable company') for the year ended 31 August 2017 on pages twenty four to forty four. 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 Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

**Report of the Independent Auditors to the Members of**  
**Holy Rood Catholic Primary School**

**Responsibilities of trustees**

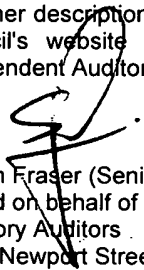
As explained more fully in the Statement of Trustees Responsibilities set out on page twenty, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

  
Steven Fraser (Senior Statutory Auditor)  
for and on behalf of MHA Monahans  
Statutory Auditors  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 6th December 2017

**Independent Reporting Accountant's Assurance Report on Regularity to  
Holy Rood Catholic Primary School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Rood Catholic Primary School during the period 1 September 2016 to 31 August 2017 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 Holy Rood Catholic Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holy Rood Catholic Primary School and the ESFA 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 Holy Rood Catholic Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Holy Rood Catholic Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Holy Rood Catholic Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 charitable company's income and expenditure.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

**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 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA Monahan  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date:



**Holy Rood Catholic Primary School**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2017**

|   |    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Fixed asset<br>fund<br>£ | 2017<br>Total funds<br>£ | 2016<br>Total funds<br>£ |
|---|----|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                 |    |                            |                          |                          |                          |                          |
| Donations and capital grants                      | 2  | 3,792                      | -                        | 2,178,496                | 2,182,288                | 11,297                   |
| <b>Charitable activities</b>                      |    |                            |                          |                          |                          |                          |
| Funding for the academy's educational operations  | 3  | 13,458                     | 1,465,538                | -                        | 1,478,996                | 1,180,247                |
| Other trading activities                          | 4  | 69,616                     | -                        | -                        | 69,616                   | 30,783                   |
| Investment income                                 | 5  | <u>147</u>                 | <u>-</u>                 | <u>-</u>                 | <u>147</u>               | <u>249</u>               |
| <b>Total</b>                                      |    | <b>87,013</b>              | <b>1,465,538</b>         | <b>2,178,496</b>         | <b>3,731,047</b>         | <b>1,222,576</b>         |
| <b>EXPENDITURE ON Charitable activities</b>       |    |                            |                          |                          |                          |                          |
| Academy's educational operations                  |    | <u>71,837</u>              | <u>1,420,982</u>         | <u>125,651</u>           | <u>1,618,470</u>         | <u>1,307,198</u>         |
| <b>NET INCOME/(EXPENDITURE)</b>                   |    | <b>15,176</b>              | <b>44,556</b>            | <b>2,052,845</b>         | <b>2,112,577</b>         | <b>(84,622)</b>          |
| <b>Transfers between funds</b>                    | 18 | <u>-</u>                   | <u>(51,906)</u>          | <u>51,906</u>            | <u>-</u>                 | <u>-</u>                 |
| <b>Other recognised gains/(losses)</b>            |    |                            |                          |                          |                          |                          |
| Actuarial gains/losses on defined benefit schemes |    | <u>-</u>                   | <u>296,000</u>           | <u>-</u>                 | <u>296,000</u>           | <u>(214,000)</u>         |
| <b>Net movement in funds</b>                      |    | <b>15,176</b>              | <b>288,650</b>           | <b>2,104,751</b>         | <b>2,408,577</b>         | <b>(298,622)</b>         |
| <b>RECONCILIATION OF FUNDS</b>                    |    |                            |                          |                          |                          |                          |
| <b>Total funds brought forward</b>                |    | <b>64,912</b>              | <b>(498,113)</b>         | <b>1,597,118</b>         | <b>1,163,917</b>         | <b>1,462,539</b>         |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                |    | <b><u>80,088</u></b>       | <b><u>(209,463)</u></b>  | <b><u>3,701,869</u></b>  | <b><u>3,572,494</u></b>  | <b><u>1,163,917</u></b>  |

The notes form part of these financial statements

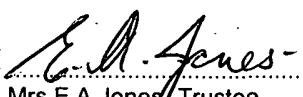


**Holy Rood Catholic Primary School (Registered number: 07697045)**

**Balance Sheet**  
**At 31 August 2017**

|  | Notes | 2017<br>£        | 2016<br>£        |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |
| Tangible assets                              | 12    | 3,678,514        | 1,559,207        |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |
| Stocks                                       | 13    | 1,914            | 1,914            |
| Debtors                                      | 14    | 100,626          | 61,392           |
| Cash at bank and in hand                     |       | <u>244,672</u>   | <u>216,742</u>   |
|  |       | 347,212          | 280,048          |
| <b>CREDITORS</b>                             |       |                  |                  |
| Amounts falling due within one year          | 15    | <u>(184,232)</u> | <u>(172,338)</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>162,980</u>   | <u>107,710</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 3,841,494        | 1,666,917        |
| <b>PENSION LIABILITY</b>                     | 19    | <u>(269,000)</u> | <u>(503,000)</u> |
| <b>NET ASSETS</b>                            |       | <u>3,572,494</u> | <u>1,163,917</u> |
| <b>FUNDS</b>                                 | 18    |                  |                  |
| Unrestricted funds                           |       | 80,088           | 64,912           |
| Restricted fixed asset funds                 |       | 3,701,869        | 1,597,118        |
| Restricted general funds                     |       | <u>(209,463)</u> | <u>(498,113)</u> |
| <b>TOTAL FUNDS</b>                           |       | <u>3,572,494</u> | <u>1,163,917</u> |

The financial statements were approved by the Board of Trustees on 22/11/17 and were signed on its behalf by:

  
Mrs E A Jones - Trustee

The notes form part of these financial statements

**Holy Rood Catholic Primary School**

**Cash Flow Statement**  
**for the Year Ended 31 August 2017**

|   | Notes | 2017<br>£             | 2016<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>Cash flows from operating activities:</b>                              |       |                       |                       |
| Cash generated from operations  | 21    | <u>2,265,953</u>      | <u>38,276</u>         |
| <b>Net cash provided by (used in) operating activities</b>                |       | <u>2,265,953</u>      | <u>38,276</u>         |
| <b>Cash flows from investing activities:</b>                              |       |                       |                       |
| Purchase of tangible fixed assets   |       | (2,244,960)           | (37,194)              |
| Capital grants from DfE/ESFA  |       | 6,790                 | 6,025                 |
| Interest received   |       | <u>147</u>            | <u>249</u>            |
| <b>Net cash provided by (used in) investing activities</b>                |       | <u>(2,238,023)</u>    | <u>(30,920)</u>       |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <u>27,930</u>         | <u>7,356</u>          |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u>216,742</u>        | <u>209,386</u>        |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <u><u>244,672</u></u> | <u><u>216,742</u></u> |

The notes form part of these financial statements

## Holy Rood Catholic Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2017

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Holy Rood Catholic Primary School meets the definition of a public benefit entity under FRS 102.

##### **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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity has provided the goods or services.

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**1. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

Costs of charitable activities are incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

**Governance costs**

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

**Tangible fixed assets**

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, as follows:

Leasehold building - 50 years  
Improvements to property - 5 - 50 years  
Fixtures, fittings and equipment - 5 years  
ICT equipment - 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Assets transferred on conversion to the academy were fully depreciated in the first year's accounts.

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

The Clifton Catholic Diocese own the freehold of the school land and buildings. The academy trust occupies the sites under a licence. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocesan Trustees do not have control over the building until the academy ceases its occupation. Therefore the buildings meets the definition of an asset under FRS102 'substance over form' concept and the buildings are included on the balance sheet of the academy trust on this basis. The ownership of the asset remains with the Diocese. The Groundwell Road building was valued by the government in 2012 on a depreciated replacement cost basis at £1,510,192 on conversion and is included in the accounts on this basis.

The academy share, along with Holy Cross Catholic Primary School, the Upham Road site. On 1 September 2016 the right of use of the building transferred to the academy. The building has been transferred from Holy Cross to the academy at depreciated replacement cost of £1,870,154 as valued by the government in 2012. The property improvements have been transferred in at depreciated cost of £301,552.

**Stocks**

Stock consists of uniform and stationery. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

**Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**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 Education and Skills Funding Agency/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 Education and Skills Funding Agency/Department for Education.

**Pension benefits**

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.

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 trust 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 quadrennial valuations using a prospective unit credit method. As stated in Note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit [liability / asset] is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

# **Holy Rood Catholic Primary School**

## **Notes to the Financial Statements - continued** **for the Year Ended 31 August 2017**

### **1. ACCOUNTING POLICIES - continued**

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Critical areas of judgement**

There are no critical areas of judgement.

### **2. DONATIONS AND CAPITAL GRANTS**

|           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|-----------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Donations | 3,792                      | 2,171,706                | 2,175,498                   | 5,272                       |
| Grants    | -                          | 6,790                    | 6,790                       | 6,025                       |
|           | <u>3,792</u>               | <u>2,178,496</u>         | <u>2,182,288</u>            | <u>11,297</u>               |

The academy share, along with Holy Cross Catholic Primary School, the Upham Road site. On 1 September 2016 the right of use of the building transferred to the academy. The building has been transferred from Holy Cross to the academy at depreciated replacement cost of £1,870,154 as valued by the government in 2012. The property improvements have been transferred in at depreciated cost of £301,552.

Grants received, included in the above, are as follows:

|                         | 2017<br>£    | 2016<br>£    |
|-------------------------|--------------|--------------|
| DfE/ESFA capital grants | <u>6,790</u> | <u>6,025</u> |

### **3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

|                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Grants           | -                          | 1,462,773                | 1,462,773                   | 1,166,433                   |
| School trips     | -                          | 2,765                    | 2,765                       | 3,725                       |
| School uniform   | 3,094                      | -                        | 3,094                       | 2,724                       |
| Afterschool club | 10,364                     | -                        | 10,364                      | 7,365                       |
|                  | <u>13,458</u>              | <u>1,465,538</u>         | <u>1,478,996</u>            | <u>1,180,247</u>            |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA revenue grant</b> |                            |                          |                             |                             |
| General Annual Grant(GAG)     | -                          | 996,277                  | 996,277                     | 768,105                     |
| Other DfE/ESFA Grants         | -                          | 113,255                  | 113,255                     | 98,496                      |
|                               | -                          | 1,109,532                | 1,109,532                   | 866,601                     |
| <b>Other government grant</b> |                            |                          |                             |                             |
| Other government grants       | -                          | 276,140                  | 276,140                     | 200,881                     |
| Special education projects    | -                          | -                        | -                           | 44,186                      |
|                               | -                          | 276,140                  | 276,140                     | 245,067                     |
| <b>Other</b>                  |                            |                          |                             |                             |
| Other grants                  | -                          | 77,101                   | 77,101                      | 54,765                      |
|                               | -                          | 1,462,773                | 1,462,773                   | 1,166,433                   |

**4. OTHER TRADING ACTIVITIES**

|              | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|--------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Other income | 69,616                     | -                        | 69,616                      | 30,783                      |

**5. INVESTMENT INCOME**

|                          | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|--------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Deposit account interest | 147                        | -                        | 147                         | 249                         |

**6. EXPENDITURE**

|   | Staff costs<br>£ | Non-pay expenditure<br>Premises<br>£ | Other costs<br>£ | 2017<br>Total<br>£ | 2016<br>Total<br>£ |
|---|------------------|--------------------------------------|------------------|--------------------|--------------------|
| <b>Charitable activities</b>            |                  |                                      |                  |                    |                    |
| <b>Academies educational operations</b> |                  |                                      |                  |                    |                    |
| Direct costs                            | 865,506          | -                                    | 161,199          | 1,026,705          | 911,292            |
| Allocated support costs                 | 268,802          | 122,662                              | 200,301          | 591,765            | 395,906            |
|   | 1,134,308        | 122,662                              | 361,500          | 1,618,470          | 1,307,198          |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

|   | 2017           | 2016          |
|---|----------------|---------------|
|   | £              | £             |
| Auditors' remuneration                            | 5,950          | 5,433         |
| Auditor's remuneration - other non-audit services | 3,298          | 1,635         |
| Depreciation - owned assets                       | <u>125,653</u> | <u>82,727</u> |

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

|               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2017<br>Total<br>funds<br>£ | 2016<br>Total<br>funds<br>£ |
|---------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Direct costs  | 46,895                     | 979,810                  | 1,026,705                   | 911,292                     |
| Support costs | <u>24,942</u>              | <u>566,823</u>           | <u>591,765</u>              | <u>395,906</u>              |
|               | <u>71,837</u>              | <u>1,546,633</u>         | <u>1,618,470</u>            | <u>1,307,198</u>            |

|                                  | 2017<br>Total<br>£ | 2016<br>Total<br>£ |
|----------------------------------|--------------------|--------------------|
| <b>Analysis of support costs</b> |                    |                    |
| Support staff costs              | 268,802            | 159,423            |
| Depreciation                     | 45,716             | 35,218             |
| Premises costs                   | 113,873            | 71,123             |
| Other support costs              | 145,337            | 113,731            |
| Governance costs                 | <u>18,037</u>      | <u>16,411</u>      |
| <b>Total support costs</b>       | <u>591,765</u>     | <u>395,906</u>     |



**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

N Fry (principal and trustee)

Remuneration £60,000 - £65,000 (2016: £60,000 - £65,000)

Employer's pension contributions £10,000 - £15,000 (2016: £5,000 - £10,000)

R Deighton (staff trustee)

Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000)

Employer's pension contributions £0,000 - £5,000 (2016: £0,000 - £5,000)

L Weston (staff trustee)

Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

C Hopkins (staff trustee - resigned 1 September 2016)

Remuneration £nil (2016: £20,000 - £25,000)

Employer's pension contributions £nil (2016: £5,000 - £10,000)

**Trustees' expenses**

During the year ended 31 August 2017, travel and subsistence expenses totalling £nil (2016 - £nil) were reimbursed to trustees. Other related party transactions involving the trustees are set out in note 20.

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**9. STAFF COSTS**

|  | 2017             | 2016           |
|--|------------------|----------------|
|  | £                | £              |
| Wages and salaries                                 | 857,559          | 716,899        |
| Social security costs                              | 64,023           | 35,435         |
| Operating costs of defined benefit pension schemes | 212,726          | 147,521        |
|  | <u>1,134,308</u> | <u>899,855</u> |

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

|                            | 2017      | 2016      |
|----------------------------|-----------|-----------|
| Teachers                   | 12        | 11        |
| Teaching assistants        | 18        | 23        |
| Administration and support | 15        | 10        |
| Management                 | <u>2</u>  | <u>2</u>  |
|                            | <u>47</u> | <u>46</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | 2017     | 2016     |
|-------------------|----------|----------|
| £60,001 - £70,000 | <u>1</u> | <u>1</u> |

The full time equivalent number of persons employed by the Academy during the year was:

|                            | 2017<br>Number | 2016<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 10             | 10             |
| Teaching assistants        | 12             | 14             |
| Administration and support | 10             | 6              |
| Management                 | <u>2</u>       | <u>2</u>       |
|                            | <u>34</u>      | <u>32</u>      |

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £Nil..

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £271,191 (2016: £281,252).

**10. 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. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Fixed asset<br>fund<br>£ | Total funds<br>£ |
|--|----------------------------|--------------------------|--------------------------|------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>                |                            |                          |                          |                  |
| Donations and capital grants                     | 5,272                      | -                        | 6,025                    | 11,297           |
| <b>Charitable activities</b>                     |                            |                          |                          |                  |
| Funding for the academy's educational operations | 6,818                      | 972,548                  | 200,881                  | 1,180,247        |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Fixed asset<br>fund<br>£ | Total funds<br>£ |
|---|----------------------------|--------------------------|--------------------------|------------------|
| Other trading activities                          | 30,783                     | -                        | -                        | 30,783           |
| Investment income                                 | 249                        | -                        | -                        | 249              |
| <b>Total</b>                                      | <b>43,122</b>              | <b>972,548</b>           | <b>206,906</b>           | <b>1,222,576</b> |
| <b>EXPENDITURE ON</b>                             |                            |                          |                          |                  |
| <b>Charitable activities</b>                      |                            |                          |                          |                  |
| Academy's educational operations                  | 19,275                     | 1,026,563                | 261,360                  | 1,307,198        |
| Other   | -                          | (24,448)                 | 24,448                   | -                |
| <b>Total</b>                                      | <b>19,275</b>              | <b>1,002,115</b>         | <b>285,808</b>           | <b>1,307,198</b> |
| <b>NET INCOME/(EXPENDITURE)</b>                   | <b>23,847</b>              | <b>(29,567)</b>          | <b>(78,902)</b>          | <b>(84,622)</b>  |
| <b>Transfers between funds</b>                    | <b>(25,751)</b>            | <b>(1,938)</b>           | <b>27,689</b>            | <b>-</b>         |
| <b>Other recognised gains/(losses)</b>            |                            |                          |                          |                  |
| Actuarial gains/losses on defined benefit schemes | -                          | (214,000)                | -                        | (214,000)        |
| <b>Net movement in funds</b>                      | <b>(1,904)</b>             | <b>(245,505)</b>         | <b>(51,213)</b>          | <b>(298,622)</b> |
| <b>RECONCILIATION OF FUNDS</b>                    |                            |                          |                          |                  |
| <b>Total funds brought forward</b>                | <b>66,816</b>              | <b>(252,608)</b>         | <b>1,648,331</b>         | <b>1,462,539</b> |
| <b>TOTAL FUNDS CARRIED FORWARD</b>                | <b>64,912</b>              | <b>(498,113)</b>         | <b>1,597,118</b>         | <b>1,163,917</b> |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**12. TANGIBLE FIXED ASSETS**

|                       | Long<br>leasehold<br>£ | Improvements<br>to property<br>£ | Fixtures and<br>fittings<br>£ |
|-----------------------|------------------------|----------------------------------|-------------------------------|
| <b>COST</b>           |                        |                                  |                               |
| At 1 September 2016   | 1,510,192              | 160,289                          | 87,212                        |
| Additions             | <u>1,870,154</u>       | <u>319,103</u>                   | <u>36,013</u>                 |
| At 31 August 2017     | <u>3,380,346</u>       | <u>479,392</u>                   | <u>123,225</u>                |
| <b>DEPRECIATION</b>   |                        |                                  |                               |
| At 1 September 2016   | 100,680                | 95,912                           | 28,870                        |
| Charge for year       | <u>46,852</u>          | <u>42,727</u>                    | <u>18,844</u>                 |
| At 31 August 2017     | <u>147,532</u>         | <u>138,639</u>                   | <u>47,714</u>                 |
| <b>NET BOOK VALUE</b> |                        |                                  |                               |
| At 31 August 2017     | <u>3,232,814</u>       | <u>340,753</u>                   | <u>75,511</u>                 |
| At 31 August 2016     | <u>1,409,512</u>       | <u>64,377</u>                    | <u>58,342</u>                 |
|                       | Motor vehicles<br>£    | Computer<br>equipment<br>£       | Totals<br>£                   |
| <b>COST</b>           |                        |                                  |                               |
| At 1 September 2016   | -                      | 84,348                           | 1,842,041                     |
| Additions             | <u>900</u>             | <u>18,790</u>                    | <u>2,244,960</u>              |
| At 31 August 2017     | <u>900</u>             | <u>103,138</u>                   | <u>4,087,001</u>              |
| <b>DEPRECIATION</b>   |                        |                                  |                               |
| At 1 September 2016   | -                      | 57,372                           | 282,834                       |
| Charge for year       | <u>30</u>              | <u>17,200</u>                    | <u>125,653</u>                |
| At 31 August 2017     | <u>30</u>              | <u>74,572</u>                    | <u>408,487</u>                |
| <b>NET BOOK VALUE</b> |                        |                                  |                               |
| At 31 August 2017     | <u>870</u>             | <u>28,566</u>                    | <u>3,678,514</u>              |
| At 31 August 2016     | <u>-</u>               | <u>26,976</u>                    | <u>1,559,207</u>              |

Included in the cost of freehold and leasehold property is land of £503,397 (2016 - £503,397) which is not depreciated.

The Clifton Diocese own the freehold of the school land and buildings. The academy trust occupies the sites under a licence. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocesan Trustees do not have control over the building until the academy ceases its occupation. Therefore the buildings meets the definition of an asset under FRS102 'substance over form' concept and the buildings are included on the balance sheet of the academy trust on this basis. The ownership of the asset remains with the Diocese.

The Supplementary Agreement includes the right for the Clifton Catholic Diocesan Trustees to give not less than 2 years written notice to the academy and Secretary of state for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**13. STOCKS**

|                         | 2017         | 2016         |
|-------------------------|--------------|--------------|
|                         | £            | £            |
| Uniforms and stationery | <u>1,914</u> | <u>1,914</u> |

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 2017           | 2016          |
|--------------------------------|----------------|---------------|
|                                | £              | £             |
| Trade debtors                  | 40,463         | -             |
| VAT                            | 9,860          | 6,665         |
| Prepayments and accrued income | <u>50,303</u>  | <u>54,727</u> |
|                                | <u>100,626</u> | <u>61,392</u> |

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

|                                 | 2017           | 2016           |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Trade creditors                 | 63,172         | 52,133         |
| Social security and other taxes | 16,232         | 14,580         |
| Other creditors                 | 31,705         | 31,177         |
| Accruals and deferred income    | <u>73,123</u>  | <u>74,448</u>  |
|                                 | <u>184,232</u> | <u>172,338</u> |

Deferred income

|                                      | £               |
|--------------------------------------|-----------------|
| Deferred Income at 1 September 2016  | 40,787          |
| Resources deferred in the year       | 41,170          |
| Amounts released from previous years | <u>(40,787)</u> |
| Deferred Income at 31 August 2017    | <u>41,170</u>   |

At the balance sheet date the academy trust was holding funds received in advance for the 17/18 school year.

**16. 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.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                     | Unrestricted funds | Restricted funds | Fixed asset fund | 2017 Total funds | 2016 Total funds |
|---------------------|--------------------|------------------|------------------|------------------|------------------|
|                     | £                  | £                | £                | £                | £                |
| Fixed assets        | -                  | -                | 3,678,514        | 3,678,514        | 1,559,207        |
| Current assets      | 80,088             | 243,769          | 23,355           | 347,212          | 280,048          |
| Current liabilities | -                  | (184,232)        | -                | (184,232)        | (172,338)        |
| Pension liability   | -                  | <u>(269,000)</u> | -                | <u>(269,000)</u> | <u>(503,000)</u> |
|                     | <u>80,088</u>      | <u>(209,463)</u> | <u>3,701,869</u> | <u>3,572,494</u> | <u>1,163,917</u> |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**18. MOVEMENT IN FUNDS**

|                                     | At 1.9.16<br>£   | Net movement<br>in funds<br>£ | Transfers<br>between funds<br>£ | At 31.8.17<br>£  |
|-------------------------------------|------------------|-------------------------------|---------------------------------|------------------|
| <b>Unrestricted funds</b>           |                  |                               |                                 |                  |
| Unrestricted fund                   | 64,912           | 15,176                        | -                               | 80,088           |
| <b>Restricted fixed asset funds</b> |                  |                               |                                 |                  |
| DfE/ESFA capital grants             | 104,383          | (32,689)                      | (2,201)                         | 69,493           |
| Capital expenditure from GAG        | 11,980           | (3,789)                       | -                               | 8,191            |
| Fixed assets on conversion          | 1,409,512        | (20,136)                      | -                               | 1,389,376        |
| Fixed assets donated                | 5,484            | (1,400)                       | -                               | 4,084            |
| Other Capital Grants                | 65,759           | (26,101)                      | 54,107                          | 93,765           |
| Fixed assets transferred            | -                | 2,136,960                     | -                               | 2,136,960        |
|                                     | 1,597,118        | 2,052,845                     | 51,906                          | 3,701,869        |
| <b>Restricted general funds</b>     |                  |                               |                                 |                  |
| General Annual Grant                | -                | 54,198                        | (922)                           | 53,276           |
| DfE/ESFA grants                     | 1,225            | 5,036                         | -                               | 6,261            |
| Other restricted income             | 3,662            | 47,322                        | (50,984)                        | -                |
| Pension                             | (503,000)        | 234,000                       | -                               | (269,000)        |
|                                     | (498,113)        | 340,556                       | (51,906)                        | (209,463)        |
| <b>Total restricted funds</b>       | 1,099,005        | 2,393,401                     | -                               | 3,492,406        |
| <b>TOTAL FUNDS</b>                  | <u>1,163,917</u> | <u>2,408,577</u>              | <u>-</u>                        | <u>3,572,494</u> |

Net movement in funds, included in the above are as follows:

|                                     | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement in<br>funds<br>£ |
|-------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b>           |                            |                            |                          |                           |
| Unrestricted fund                   | 87,013                     | (71,837)                   | -                        | 15,176                    |
| <b>Restricted fixed asset funds</b> |                            |                            |                          |                           |
| DfE/ESFA capital grants             | 6,790                      | (39,479)                   | -                        | (32,689)                  |
| Other Capital Grants                | -                          | (26,101)                   | -                        | (26,101)                  |
| Fixed assets transferred            | 2,171,706                  | (34,746)                   | -                        | 2,136,960                 |
| Capital expenditure from GAG        | -                          | (3,789)                    | -                        | (3,789)                   |
| Fixed assets on conversion          | -                          | (20,136)                   | -                        | (20,136)                  |
| Fixed assets donated                | -                          | (1,400)                    | -                        | (1,400)                   |
|                                     | 2,178,496                  | (125,651)                  | -                        | 2,052,845                 |
| <b>Restricted general funds</b>     |                            |                            |                          |                           |
| General Annual Grant                | 996,277                    | (942,079)                  | -                        | 54,198                    |
| DfE/ESFA grants                     | 113,255                    | (108,219)                  | -                        | 5,036                     |
| Other government grants             | 276,140                    | (276,140)                  | -                        | -                         |
| Other restricted income             | 79,866                     | (32,544)                   | -                        | 47,322                    |
| Pension                             | -                          | (62,000)                   | 296,000                  | 234,000                   |
|                                     | 1,465,538                  | (1,420,982)                | 296,000                  | 340,556                   |
| <b>Total restricted funds</b>       | 3,644,034                  | (1,546,633)                | 296,000                  | 2,393,401                 |
| <b>TOTAL FUNDS</b>                  | <u>3,731,047</u>           | <u>(1,618,470)</u>         | <u>296,000</u>           | <u>2,408,577</u>          |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**18. MOVEMENT IN FUNDS - continued**

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of state, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants - these include:

- the pupil premium which is used to assist pupils from low income families
- PE sports grant to fund improvements to the provision of PE and sports for primary pupils
- the rates relief to contribute to the rates bill
- the grant towards the universal free school meals provision

Other government grants - these include the special educational needs funding and trigger funding from Swindon Borough Council.

Other income - this is the monies received and expended on school trips, funding from Clifton Diocese towards the site sharing costs that the academy incurs, plus a grant from the Big Lottery for an art project.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE/ESFA capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Fixed assets donated - this represents the value of donated assets less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

Other capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Fixed assets transferred - this represents the net book value of fixed assets transferred from Holy Cross Catholic Primary School. The academy now hold the right to use of these assets as they occupy more of the Upham Road site than Holy cross.

The following transfers have been made in the year:

£922 transferred from 'GAG' to 'other restricted income' to cover the deficit on this fund.

£51,906 transferred from 'other restricted income' to 'Other capital grants' being the cost of capital additions in the year funded by other restricted income.

£2,201 transferred from 'DfE/ESFA capital grants' to 'other capital grants' to correct the fixed assets funded by these grants.

**19. PENSION AND SIMILAR OBLIGATIONS**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by [name]. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £9,005 were payable to the schemes at 31 August 2017 (2016: £7,294) and are included within creditors.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Teachers' pension scheme**

*Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. 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 benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Act (2013) 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 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.



**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department for Education on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £73,531 (2016: £65,641).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Scheme Changes**

Lord Hutton, who chaired the independent public service pensions commission, 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 discussion 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 decision 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 to be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his infirm report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased on since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £109,000 (2016: £83,000), of which employer's contributions totalled £88,000 (2016: £67,000) and employees' contributions totalled £21,000 (2016: £16,000). The agreed contribution rates for future years are 23.9% per cent for employers and 5.5% to 9.9% 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.

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

|                                     | Defined benefit pension plans |                         |
|-------------------------------------|-------------------------------|-------------------------|
|                                     | 2017                          | 2016                    |
|                                     | £                             | £                       |
| Present value of funded obligations | (1,076,000)                   | (1,113,000)             |
| Fair value of plan assets           | <u>807,000</u>                | <u>610,000</u>          |
|                                     | <u>(269,000)</u>              | <u>(503,000)</u>        |
| Deficit                             | <u>(269,000)</u>              | <u>(503,000)</u>        |
| Liability                           | <u><u>(269,000)</u></u>       | <u><u>(503,000)</u></u> |

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

|   | Defined benefit pension plans |                |
|---|-------------------------------|----------------|
|   | 2017                          | 2016           |
|   | £                             | £              |
| Current service cost                                  | 139,000                       | 81,000         |
| Net interest from net defined benefit asset/liability | <u>25,000</u>                 | <u>30,000</u>  |
|   | <u>164,000</u>                | <u>111,000</u> |
| Interest income on plan assets                        | <u>14,000</u>                 | <u>19,000</u>  |

Changes in the present value of the defined benefit obligation are as follows:

|  | Defined benefit pension plans |                  |
|--|-------------------------------|------------------|
|  | 2017                          | 2016             |
|  | £                             | £                |
| Defined benefit obligation                                       | 1,113,000                     | 735,000          |
| Current service cost   | 139,000                       | 81,000           |
| Contributions by scheme participants                             | 21,000                        | 16,000           |
| Interest cost  | 25,000                        | 30,000           |
| Benefits paid  | (6,000)                       | (6,000)          |
| Remeasurements:  |                               |                  |
| Actuarial (gains)/losses from changes in demographic assumptions | (14,000)                      | -                |
| Actuarial (gains)/losses from changes in financial assumptions   | (91,000)                      | 258,000          |
| Other experience   | <u>(111,000)</u>              | <u>(1,000)</u>   |
|  | <u>1,076,000</u>              | <u>1,113,000</u> |

Changes in the fair value of scheme assets are as follows:

|   | Defined benefit pension plans |                |
|---|-------------------------------|----------------|
|   | 2017                          | 2016           |
|   | £                             | £              |
| Fair value of scheme assets                       | 610,000                       | 471,000        |
| Contributions by employer                         | 88,000                        | 67,000         |
| Contributions by scheme participants              | 21,000                        | 16,000         |
| Interest income on plan assets                    | 14,000                        | 19,000         |
| Benefits paid                                     | (6,000)                       | (6,000)        |
| Return on plan assets (excluding interest income) | <u>80,000</u>                 | <u>43,000</u>  |
|   | <u>807,000</u>                | <u>610,000</u> |

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017**

**19. PENSION AND SIMILAR OBLIGATIONS  
- continued**

The amounts recognised in other recognised gains and losses are as follows:

|  | Defined benefit pension plans |                  |
|--|-------------------------------|------------------|
|  | 2017                          | 2016             |
|  | £                             | £                |
| Actuarial (gains)/losses from changes in demographic assumptions | 14,000                        | -                |
| Actuarial (gains)/losses from changes in financial assumptions   | 91,000                        | (258,000)        |
| Other experience   | 111,000                       | 1,000            |
| Return on plan assets (excluding interest income)                | <u>80,000</u>                 | <u>43,000</u>    |
|  | <u>296,000</u>                | <u>(214,000)</u> |

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

|          | Defined benefit pension plans |      |
|----------|-------------------------------|------|
|          | 2017                          | 2016 |
| Equities | 71%                           | 72%  |
| Bonds    | 14%                           | 15%  |
| Property | 13%                           | 12%  |
| Cash     | 2%                            | 1%   |

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

|                                      | 2017 | 2016 |
|--------------------------------------|------|------|
| Discount rate                        | 2.5% | 2.1% |
| Future salary increases              | 2.7% | 4.1% |
| Future pension increases             | 2.4% | 2.1% |
| Inflation assumption (CPI)           | 2.4% | 2.1% |
| Commutation of pensions to lump sums | 50%  | 50%  |

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

|                    | At 31 August<br>2017 | At 31 August<br>2016 |
|--------------------|----------------------|----------------------|
| Current pensioners |                      |                      |
| Males              | 22.5 years           | 22.3 years           |
| Females            | 24.9 years           | 24.5 years           |
| Future pensioners* |                      |                      |
| Males              | 24.1 years           | 24.1 years           |
| Females            | 26.7 years           | 26.9 years           |

\* Figures assume members aged 45 as at the last formal valuation date.

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

|  | Approximate % increase to<br>Employer Liability | Approximate monetary<br>amount (£000) |
|--|---|---------------------------------------|
| Change in assumption at 31 August 2017     |   |                                       |
| 0.5% decrease in Real Discount Rate        | 12%   | 129                                   |
| 0.5% increase in the Salary Increase Rate  | 2%  | 18                                    |
| 0.5% increase in the Pension Increase Rate | 10%   | 109                                   |

**20. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

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

**Holy Rood Catholic Primary School**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2017**

**21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|   | 2017<br>£               | 2016<br>£            |
|---|-------------------------|----------------------|
| <b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b> | <b>2,112,577</b>        | <b>(84,622)</b>      |
| <b>Adjustments for:</b>   |                         |                      |
| Depreciation  | 125,653                 | 82,727               |
| Capital grants from DfE/ESFA  | (6,790)                 | (6,025)              |
| Interest received   | (147)                   | (249)                |
| DB pension scheme cost less contribution  | 51,000                  | 14,000               |
| DB pension scheme finance cost  | 11,000                  | 11,000               |
| (Increase)/decrease in debtors  | (39,234)                | 32,337               |
| Increase/(decrease) in creditors  | 11,894                  | (10,892)             |
| <b>Net cash provided by (used in) operating activities</b>  | <b><u>2,265,953</u></b> | <b><u>38,276</u></b> |