

# **Saint Robert Lawrence Catholic Academy Trust**

Registered number 07937154

## **Directors report and financial statements**

**For the year ended 31 August 2013**

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**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS  
DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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<b>Directors</b>	Mrs Kathleen Holmes (resigned 26 March 2013) Ms Anna Gee (appointed 2 July 2013) Ms Kathleen Mortimer (appointed 2 July 2013) Mr David Boott Mrs Elizabeth C Brown (resigned 26 March 2013) Mrs Lorraine Collins Reverend Mr Stephen Doona Ms Joan McCarthy, Head Teacher (appointed 1 September 2012) Mr Anthony Harrison, Head Teacher Mrs Donna M Sisson Fr Martin Sylvester
<b>Company registered number</b>	07937154
<b>Principal and registered office</b>	Abbot Road Kirk Hallam Ilkeston Derbyshire DE7 4HX
<b>Company secretary</b>	Mrs Cecilia M Emery
<b>Independent auditors</b>	Mazars LLP Chartered Accountants Statutory Auditor Cartwright House Tottle Road Nottingham NG2 1RT
<b>Bankers</b>	The Co-operative Bank 31 East Street Derby DE1 2AL
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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The Directors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Saint Robert Lawrence Academy Trust (the Academy Trust) for the ended 31 August 2013. The Directors confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a charitable company limited by guarantee and was set up by a Memorandum of Association signed by the Members.

The Academy Trust is constituted under a Memorandum of Association.

The principal objects of the Academy Trust are

- (a) 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 Catholic schools designated as such ("the Academies") 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 an 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, and
- (b) to promote for the benefit of individuals living in the parishes of Our Lady and St Thomas of Hereford, Ilkeston, Our Lady of Good Counsel, Eastwood, St Francis of Assisi, Long Eaton, St John the Evangelist, Stapleford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

#### **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.

#### **Method of recruitment and appointment or election of Directors**

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

The management of the Academy Trust is the responsibility of the Directors who are appointed, elected and co-opted under the terms of the Articles of Association. The Articles state

The number of Directors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All Directors shall upon their appointment or election give a written undertaking to the Trustees and the Diocesan Bishop to uphold the Object of the Academy Trust.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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The Company shall have the following Directors

- up to 1 Director appointed under Article 50,
- up to 2 Staff Directors appointed under Article 50A,
- a minimum of 5 Foundation Directors, appointed under Article 50B,
- any Academy Directors appointed under Article 51 or Article 52,
- the Principals,
- a minimum of 2 Parent Directors appointed under Articles 53 56,
- any Additional Directors, if appointed under Article 61, 61A or 67A,
- any Further Directors, if appointed under Article 62 or Article 67A,
- up to 2 Directors, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement

No changes to Article 2 and Article 6B shall be made without the consent of the Trustees. The Company may also have any Co opted Director appointed under Article 58. The first Directors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Directors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Director to be appointed or elected due to the fact that an Academy has not yet been established then the relevant Article or part thereof shall not apply.

#### **APPOINTMENT OF DIRECTORS**

The Members may appoint up to 1 Director save that no more than one third of the total number of individuals appointed as Directors shall be employees of the Academy Trust (including the Principals). The Directors shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Directors. The Trustees shall appoint a minimum of 5 Foundation Directors provided that a Parish Priest shall be a Foundation Director.

#### **ACADEMY DIRECTORS**

Subject to Article 52, the chairman of each Local Governing Body shall be an Academy Director for as long as he remains in office as such and shall be appointed by the Directors of the Company. If the number of Academies exceeds 10, the chairmen of the Local Governing Bodies shall elect 10 persons from amongst their numbers to be the Academy Directors. Any person elected in accordance with this Article shall only remain an Academy Director for as long as he remains chairman of a Local Governing Body. The Directors shall make all necessary arrangements for, and determine all other matters relating to, the election of the Academy Directors in accordance with this Article. Any election of the Academy Directors which is contested shall be held by secret ballot.

#### **PARENT DIRECTORS**

There shall be a minimum of 2 Parent Directors for every 10 or fewer Academies. The Parent Directors shall be elected by the parent members of the Local Governing Bodies (who shall themselves be elected in accordance with the terms of reference determined by the Directors from time to time) from amongst their number. The elected Parent Directors must be a parent of a registered pupil at one of the Academies at the time when he is elected.

The number of Parent Directors required shall be made up by Parent Directors appointed by the Directors if the number of parents standing for election is less than the number of vacancies.

The Directors shall make all necessary arrangements for, and determine all matters relating to, an election of the Parent Directors, including any question of whether a person is a parent of a registered pupil at one of the Academies. Any election of the Parent Directors which is contested shall be held by secret ballot. In appointing a Parent Director the Directors shall appoint a person who is the parent of a registered pupil at an Academy or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **CO OPTED DIRECTORS**

The Directors may appoint up to 3 Co opted Directors provided that if any such Directors are appointed the number of Foundation Directors permitted by Articles 2 and 6B shall increase proportionately to ensure that a majority of Directors are Foundation Directors. A 'Co opted Director' means a person who is appointed to be a Director by being co opted by Directors who have not themselves been so appointed. The Directors may not co opt an employee of the Company as a Co opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Principals.

#### **APPOINTMENT OF ADDITIONAL DIRECTORS**

The Secretary of State may give a warning notice to the Directors which he shall copy to the Trustees and the Diocesan Bishop where he is satisfied

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

For the purposes of Article 59 a 'warning notice' is a notice in writing by the Secretary of State to the Company delivered to the Office setting out

- The matters referred to in Article 59,
- The action which he requires the Directors to take in order to remedy those matters, and
- The period within which that action is to be taken by the Directors ('the compliance period')

The Secretary of State may appoint such Additional Directors as he thinks fit (after consultation with the Trustees and the Diocesan Bishop) if the Secretary of State has

- Given the Directors a warning notice in accordance with Article 59, and
- The Directors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period

The Secretary of State may also appoint such Additional Directors (after consultation with the Trustees and the Diocesan Bishop) where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") an Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by the predecessor school as defined in the Relevant Funding Agreement shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Directors as he thinks fit (after consultation with the Trustees and the Diocesan Bishop) if a Special Measures Termination Event (as defined in the Relevant Funding Agreement) occurs in respect of any Academy.

The Secretary of State acknowledges that any right to appoint Additional or Further Directors pursuant to Articles 61, 61A and 62 shall be subject to the terms of the Master Funding Agreement (being the funding agreement entered into between the Secretary of State and the Company pursuant to section 1 of the Academies Act 2010) in so far as it purports to restrict the freedom of the Secretary of State to appoint Additional and Further Directors.

Within 5 days of the Secretary of State appointing any Additional or Further Directors in accordance with Articles 61, 61A or 62, any Directors appointed under Article 50 and holding office immediately preceding the appointment of such Directors, shall resign immediately and the Members' power to appoint Directors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Directors.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **TERM OF OFFICE**

The term of office for any Director shall be 4 years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Director, any Director may be re appointed or re elected

#### **RESIGNATION AND REMOVAL**

A Director shall cease to hold office if he resigns his office by notice to the Company (but only if at least three Directors will remain in office when the notice of resignation is to take effect). A Director shall cease to hold office if he is removed by the person or persons who appointed him. This Article does not apply in respect of a Parent Director or Academy Director.

Where a Director resigns his office or is removed from office, the Director or, where he is removed from office, those removing him, shall give written notice thereof to the Secretary.

Where an Additional or Further Director appointed pursuant to Articles 61, 61A or 62 ceases to hold office as a Director for any reason, other than being removed by the Secretary of State, the Secretary of State shall be entitled to appoint an Additional or Further Director in his place.

#### **Policies and procedures adopted for the induction and training of Directors**

All Directors are provided with an introductory pack and encouraged to attend relevant training and seminars. All Directors are subject to CRB enhanced clearance and are required to declare their business interests. Directors are required to sign an undertaking to uphold the Catholic ethos of the Academy Trust.

#### **Organisational structure**

The Academy Trust operates within the umbrella of the Nottingham Roman Catholic Diocesan Trustees, a company limited by guarantee, company number 7151646 and charity number 1134449.

The Academy Trust comprises two Academies, The Priory Catholic Voluntary Academy and the Saint John Houghton Catholic Voluntary Academy (the Academies). The Academies have Local Governing Bodies which oversee the day to day running of the Academies under a Scheme of Delegation.

Each Local Governing Body has a sub committee structure.

Saint John Houghton Catholic Voluntary Academy  
Creating an Effective Learning Environment  
Raising Achievement  
Developing the Individual

The Priory Catholic Voluntary Academy  
Finance and General Purposes  
Pupils and Personnel  
Curriculum

#### **Connected organisations, including related party relationships**

The Academy Trust comprises The Priory Catholic Voluntary Academy and Saint John Houghton Catholic Voluntary Academy. In addition, St Thomas Catholic Primary School and English Martyrs Catholic Primary School are partner primary schools in the family of schools.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **Risk management**

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

#### **Directors' indemnities**

The Directors and Governors have taken out Governors' Liability Insurance with Zurich

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

- (a) 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 Catholic schools designated as such ("the Academies") 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 an 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, and
- (b) to promote for the benefit of individuals living in the parishes of Our Lady and St Thomas of Hereford, Ilkeston, Our Lady of Good Counsel, Eastwood, St Francis of Assisi, Long Eaton, St John the Evangelist, Stapleford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

#### **Objectives, strategies and activities**

The academies within the Academy Trust have the following Mission Statements which underpin all activities

##### *The Priory Catholic Voluntary Academy*

*'A place to learn have fun, grow and develop, in the light and love of Christ'*

Through living out our mission statement, we know that we provide a caring school community in which children feel happy and secure. We know that by placing an emphasis on quality teaching and learning, where children are provided with a rich, stimulating and relevant learning environment, we are creating a strong foundation on which future achievements will be built

Not only do we want to prepare our children for the next stage of their lives, but also throughout their time with us, we hope they become increasingly confident and independent as learners. We want all of our children to achieve success and return to school eagerly each day

We place great value on a close working relationship with parents, wishing to build an effective partnership to support your children throughout their time with us



# SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2013

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### *Saint John Houghton Catholic Voluntary Academy*

#### We aspire

- To be recognised for the quality of care extended to all associated with us and to respect each person's dignity and uniqueness
- To make the faith life of the school inform and effect work in all areas of the curriculum
- To be a 'family', embracing home and parish, with an awareness of its responsibilities to both local and worldwide communities
- To establish a whole curriculum which will balance the highest academic standards with the life skills and critical awareness necessary to enable all students to reach their full potential and to respond to the needs of society

#### Activities for achieving objectives

Each academy provides an inclusive education in line within the national curriculum framework which meets the Ofsted inspection guidelines

Enrichment activities are planned appropriate to each year group

Staff receive appropriate CPD

Each academy meets its legal duties in terms of Health and Safety, Safeguarding and Child Protection and HR

#### Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commissions general guidelines in public benefit. The Academy looks to promote for the benefit of individuals living in the parishes of Our Lady and St Thomas of Hereford, Ilkeston, Our Lady of Good Counsel, Eastwood, St Francis of Assisi, Long Eaton, St John the Evangelist, Stapleford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

## ACHIEVEMENTS AND PERFORMANCE

### Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy Trust 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.

### Key performance indicators

#### *Saint John Houghton Catholic Voluntary Academy*

#### Key Stage 4 Headline Performance Indicators

		Targets Set
5+ A*-C	79%	89%
5+ A*-G	99%	100%
5+ A*-C (inc English and Mathematics)	68%	75%
2+ A*-C Science	58%	N/A
Average Capped Points Score	336	370

The 5+ A\*-C has remained at about 80% for the last few years. This is an area for future improvement. The 5+ A\*-G was virtually met.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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The 5+ A\*-C (inc E+M) was an improvement on last year but remained short of a very challenging target. Mathematics results were very good and English Language showed improvement. The 2+ A\*-C science figure was also an improvement on last year with room for future improvement.

The points value (capped) was less than the target, but the target was set at a time when some curricular areas gained multiple GCSE equivalence.

#### **Levels of Progress from KS2 to KS4**

	3+%	(Target)	4+%	5+%
English	66%	(84)	21%	2%
Mathematics	76%	(80)	29%	12%

The English 3+ levels was an improvement from last year and particularly improved in the level 5 to GCSE grade B conversion. The 3+ level is expected to be close to national median. The Mathematics 3+ levels remains at a very high level although just short of target. This figure is expected to be well above the national median.

#### *The Priory Catholic Voluntary Academy*

#### **Key Stage 2 Headline Performance Indicators**

This year saw arguably the best end of Key Stage 2 Teacher Assessment results the school has ever had with pupils largely making at least 2 levels of progress between Key Stage One and Key Stage Two in reading, writing and maths. In addition just over 50% of pupils made 3 levels of progress in their reading, writing and maths between the two key stages.

The school has had success at targeting pupils to attain Level 6. This year saw two pupils do this in maths, and one pupil in the new Grammar, Punctuation and Spelling test. This test proved very successful for our pupils who generally attained slightly higher than for the other tests in reading, writing and maths.

#### **Review of activities**

Each Headteacher provides a detailed report to the Academy Trust at each meeting setting out activities and achievements since the last report. The section below sets out the main significant events for each academy.

#### *Saint John Houghton Catholic Voluntary Academy*

The Academy had its Section 5 OFSTED Inspection in June 2013 with the academy receiving an overall grading of GOOD.

The Academy had its Section 48 Diocesan Inspection in October 2013 with the academy receiving an overall grading of OUTSTANDING.

The Academy successfully bid through the Academies Capital Maintenance fund for a new reception and admin suite. Work started in October 2013 and will continue until March 2014.

#### *The Priory Catholic Voluntary Academy*

Over Lent and Easter the school raised just over £2,000 for the NSPCC.

In May the school football team were finalists and runners up in the local school's Plate Competition. Year 6 pupils enjoyed a spiritual weekend at the Briars in Derbyshire which mixed outdoor and adventurous activities with the theme of "moving on" in preparation for Secondary Education.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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In June our Year 6 pupils enjoyed a week of outdoor and adventurous activities at Beaumanor Hall in Leicestershire

In the summer term work was completed to build an outdoor classroom using the Awards for All Grant of £9,998 from The National Lottery for the school's ECO Club. This classroom is now the central feature and resource in helping the club's members in their environmental activities as the classroom is also the base from which members of the local community can come and share the resource and become involved with our environmental club. The classroom was officially opened by Bishop Malcolm after our open-air Mass celebrated in the school grounds on Thursday 5th September 2013 (see below)

In June coats, clothes and blankets were collected from school which were donated by the school and local community for the organisation "Operation Orphan"

In June and July work was undertaken in school to prepare for the school's Golden Jubilee with a creative curriculum planned around the 1960's –and more so around 1963 –when the school opened

The year ended with a Whole School Mass of Thanksgiving on Friday 19th July, followed by a Year 6 Leavers' Mass and Leavers' assembly on Monday 22nd and Tuesday 23rd respectfully

To mark the beginning of this school year (and the school's Golden Jubilee) Bishop Malcolm concelebrated Mass with Canon John Berry, Father Paul Newman, Father Martin Sylvester, Father Andrew Cole and Deacon Steve Doona. It was an open-air Mass celebrated in the school grounds on Thursday 5th September 2013 at 10.30am. The weather made for a very successful day and special occasion, light refreshments were enjoyed afterwards as guests viewed displays and photographs going right back to the very first day when the school was opened in September 1963. Many of the very first pupils were present at the Mass.

#### **Investment policy and performance**

Due to the nature of the funding cycle, Saint John Houghton Catholic Voluntary Academy and The Priory Catholic Voluntary Academy may at times hold large cash balances which may not be required for immediate use. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

#### **FINANCIAL REVIEW**

##### **Financial and risk management objectives and policies**

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Trust has inherited the Local Government Defined Benefit Pension Scheme deficit for associate staff of both Saint John Houghton Catholic Voluntary Academy and The Priory Catholic Voluntary Academy. The deficits are reducing as advised by Mercer's, the pension actuarial experts.

##### **Principal risks and uncertainties**

The principal risks for the Trust during the next few years are the reduction in students of secondary age in the Academies' 'normal area' and any changes to the funding formula. Removal of free/subsidised transport to faith schools will have an adverse impact on admission numbers. The Academies closely monitor applications for places in and model the financial implications of any trends. The Headteachers are members of the Derbyshire Schools Forum, which is the group that makes financial decisions in the Local Authority. This informs the Academies' Senior Leadership Teams of impending changes to the Funding Formula.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **Reserves policy**

The Directors policy is to review the reserve levels of the Academy annually. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

The Academy has a policy of carrying forward internal under / overspends. This does result in an increase in the Academy reserve.

#### **PLANS FOR THE FUTURE**

##### **Future developments**

The Academy Trust will continue to operate in accordance with the Objects and will seek to enlarge the Academy Trust by including two additional Catholic Primary Schools.

##### *Saint John Houghton Catholic Voluntary Academy*

The Academy seeks to build on its recent positive inspection reports and move the school towards an Outstanding verdict. The Academy will seek to focus on mentoring, creating opportunities for more independent learning and moving the standard of all teaching to outstanding.

The Academy wishes to work even further on developing the links with the primary schools of the Trust, sharing staff development, monitoring of teaching and learning strategies, developing transition processes. The Academy will launch the Mission of The Trust in a special Inset day in June 2014.

The Academy will seek to develop opportunities for its staff to be able to teach Sixth Form and is actively exploring options re Post 16 education.

##### *The Priory Catholic Voluntary Academy*

The main focus for the academy is to build on its previous successes in the standards achieved throughout –sustaining the levels of academic progress throughout the school. A new Pay Policy with an appraisal system which reflects the aims and vision of The Trust will be implemented for all teaching personnel with clearly established links to the School Improvement Plan.

The Catholic Life of the school will be reviewed as we work ever more closely with our partners in our family of schools and within The Trust, our focus being on the school's prayer-life and the value of service from the local, to the global community. Within this context the school will review teaching and learning and course content to ensure that it has a curriculum that has Christ at its centre and which is therefore built and designed to meet the demands of preparing our pupils for life.

The Priory Catholic Voluntary Academy aims to carry out its aims and mission through greater involvement of The Trust –so that a programme of development is implemented to enable shared good practice throughout The Trust in order that we are able to move learning on and raise standards in all facets and areas of Trust life.

#### **FUNDS HELD AS CUSTODIAN**

There are no funds that are held by the Trust but are not owned by them.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **PROVISION OF INFORMATION TO AUDITORS**


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

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

#### **AUDITORS**

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

This report was approved by order of the Board of Directors on 9 December 2013 and signed on its behalf by



**Mr David Boott**  
Chair of Directors

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT**

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#### **Scope of Responsibility**

As Directors, we acknowledge we have overall responsibility for ensuring that Saint Robert Lawrence Catholic Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Saint Robert Lawrence Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Directors' Report and in the Directors' Responsibilities Statement. The Board of Directors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mrs Kathleen Holmes	2	2
Ms Anna Gee	0	0
Ms Kathleen Mortimer	0	0
Mr David Boott	3	3
Mrs Elizabeth C Brown	2	2
Mrs Lorraine Collins	3	3
Reverend Mr Stephen Doona	0	3
Ms Joan McCarthy, Head Teacher	3	3
Mr Anthony Harrison, Head Teacher	3	3
Mrs Donna M Sisson	2	3
Fr Martin Sylvester	2	3

During the year two directors resigned leaving vacancies to be filled by the respective Chairs of Governors at Saint John Houghton Catholic Voluntary Academy and The Priory Catholic Voluntary Academy. There remains one vacancy for a Director to be appointed by the Diocese of Nottingham.

There are no sub-committees of Academy Trust. These functions are delegated to the respective Local Governing Bodies.

#### **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 Trust 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 Saint Robert Lawrence Catholic Academy Trust for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

#### **The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors,
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Mazars LLP, the external auditors, to perform additional checks.

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

#### **Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Directors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 9 December 2013 and signed on their behalf, by



**Mr David Booth**  
Chair of Directors



**Mrs J McCarthy**  
Accounting Officer

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

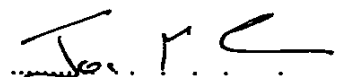
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Saint Robert Lawrence Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy Trust Board of Directors 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 (2012)

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



**Mrs J McCarthy**  
Accounting Officer

Date 9 December 2013



# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013**

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The Directors (who act as governors of Saint Robert Lawrence Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 9 December 2013 and signed on its behalf by



**Mr David Boott**  
Chair of Directors

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

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We have audited the financial statements of Saint Robert Lawrence Catholic Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

#### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

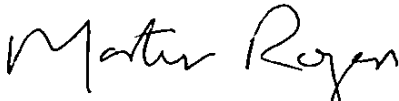
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT ROBERT  
LAWRENCE CATHOLIC ACADEMY TRUST**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Martin Rogers (Senior Statutory Auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

Date

12 December 2013

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saint Robert Lawrence Catholic Academy Trust during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Saint Robert Lawrence Catholic Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Saint Robert Lawrence Catholic Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Saint Robert Lawrence Catholic Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Saint Robert Lawrence Catholic Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Saint Robert Lawrence Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing on controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out.

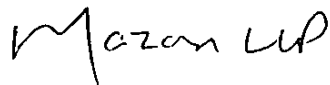
**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST  
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY  
TO SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

Date 12 December 2013

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income - on conversion	2	-	-	-	-	9,241,705
Activities for generating funds	3	101,995	-	-	101,995	39,191
Investment income	4	3,094	-	-	3,094	645
Incoming resources from charitable activities	5	-	3,855,474	4,441	3,859,915	1,963,023
Other incoming resources	6	-	201,978	-	201,978	125,766
<b>Total incoming resources</b>		<b>105,089</b>	<b>4,057,452</b>	<b>4,441</b>	<b>4,166,982</b>	<b>11,370,330</b>
<b>Resources expended</b>						
Charitable activities	8	127,686	3,906,759	127,787	4,162,232	2,059,397
Governance costs	9	-	65,107	-	65,107	87,755
<b>Total resources expended</b>		<b>127,686</b>	<b>3,971,866</b>	<b>127,787</b>	<b>4,227,339</b>	<b>2,147,152</b>
<b>Net incoming resources / (resources expended) before transfers</b>		<b>(22,597)</b>	<b>85,586</b>	<b>(123,346)</b>	<b>(60,357)</b>	<b>9,223,178</b>
Transfers between Funds	19	28,639	(28,639)	-	-	-
<b>Net income / (expenditure) for the year</b>		<b>6,042</b>	<b>56,947</b>	<b>(123,346)</b>	<b>(60,357)</b>	<b>9,223,178</b>
Actuarial gains and losses on defined benefit pension schemes		-	(35,000)	-	(35,000)	(94,000)
<b>Net movement in funds for the year</b>		<b>6,042</b>	<b>21,947</b>	<b>(123,346)</b>	<b>(95,357)</b>	<b>9,129,178</b>
Total funds at 1 September 2012		247,408	(702,338)	9,584,108	9,129,178	-
<b>Total funds at 31 August 2013</b>		<b>253,450</b>	<b>(680,391)</b>	<b>9,460,762</b>	<b>9,033,821</b>	<b>9,129,178</b>

All of the academy trust's activities derive from continuing operating in the current financial period and acquisitions in the previous period

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

The notes on pages 23 to 44 form part of these financial statements

# SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST

Registered number 07937154

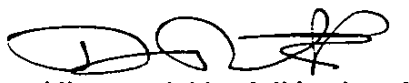
(A Company Limited by Guarantee)

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	16		9,449,809		9,553,560
<b>Current assets</b>					
Debtors	17	120,720		146,595	
Cash at bank		645,731		492,342	
		<u>766,451</u>		<u>638,937</u>	
<b>Creditors: amounts falling due within one year</b>	18	(297,439)		(262,319)	
<b>Net current assets</b>			469,012		376,618
<b>Total assets less current liabilities</b>			9,918,821		9,930,178
Defined benefit pension scheme liability	24		(885,000)		(801,000)
<b>Net assets including pension scheme liabilities</b>			<u>9,033,821</u>		<u>9,129,178</u>
<b>Funds of the academy</b>					
Restricted funds					
Restricted funds	19	204,609		98,662	
Restricted fixed asset funds	19	9,460,762		9,584,108	
		<u>9,665,371</u>		<u>9,682,770</u>	
Restricted funds excluding pension liability					
Pension reserve		(885,000)		(801,000)	
<b>Total restricted funds</b>			8,780,371		8,881,770
Unrestricted funds	19		253,450		247,408
<b>Total funds</b>			<u>9,033,821</u>		<u>9,129,178</u>

The financial statements were approved by the Directors, and authorised for issue, on 9 December 2013 and are signed on their behalf, by



Mr David Boott  
Chair of Directors

The notes on pages 23 to 44 form part of these financial statements

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

		<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
	<b>Note</b>		
Net cash flow from operating activities	21	155,686	168,103
Returns on investments and servicing of finance	22	3,094	645
Capital expenditure and financial investment	22	(5,391)	(48,351)
Cash transferred on conversion to an Academy Trust		-	371,945
<b>Increase in cash in the year</b>		<b>153,389</b>	<b>492,342</b>

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

	<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Increase in cash in the year	153,389	492,342
<b>Movement in net funds in the year</b>	<b>153,389</b>	<b>492,342</b>
Net funds at 1 September 2012	492,342	-
<b>Net funds at 31 August 2013</b>	<b>645,731</b>	<b>492,342</b>

The notes on pages 23 to 44 form part of these financial statements

All of the cash flows are derived from continuing operations in the current period and acquisitions in the previous financial period



# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **1 Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

##### **1.2 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

##### **1.3 Going concern**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **1.4 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2013**

---

#### **1 Accounting Policies (continued)**

##### **1.5 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

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

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

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

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

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

##### **1.6 Resources expended**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

# SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

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#### 1 Accounting Policies (continued)

##### 1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are considered for capitalisation

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value 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.

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

Long leasehold land and buildings -	2 % straight line
Fixtures and fittings -	10 % straight line
Computer equipment -	33.3 % straight line

##### 1.8 Operating leases

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

##### 1.9 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **1. Accounting Policies (continued)**

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

### **2. Voluntary income - on conversion**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
Assets transferred from Local Authority on conversion	-	-	-	9,560,760
Liability transferred from Local Authority on conversion	-	-	-	(691,000)
Assets transferred on conversion	-	-	-	90,176
Surplus on conversion	-	-	-	281,769
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	-	-	9,241,705
	<hr/>	<hr/>	<hr/>	<hr/>

### **3. Activities for generating funds**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
Hire of facilities	2,948	-	2,948	1,788
Catering income	99,047	-	99,047	37,403
	<hr/>	<hr/>	<hr/>	<hr/>
	101,995	-	101,995	39,191
	<hr/>	<hr/>	<hr/>	<hr/>

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**4. Investment income**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
Investment income	3,094	-	3,094	645

**5 Funding for Academy's educational operations**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	3,548,395	3,548,395	1,790,610
Other DfE/EFA grants	-	108,557	108,557	41,517
	-	3,656,952	3,656,952	1,832,127
<b>Other government grants</b>				
School standards fund	-	5,791	5,791	13,383
GTP	-	13,990	13,990	7,250
SEN from LA	-	178,741	178,741	79,715
	-	198,522	198,522	100,348
<b>DfE/EFA capital grants</b>				
Lottery funding	-	-	-	9,998
Devolved formula capital allocations	-	4,441	4,441	20,550
	-	4,441	4,441	30,548
	-	3,859,915	3,859,915	1,963,023

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**6. Other incoming resources**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
Academy trips	-	168,995	168,995	84,549
Sundry income	-	32,983	32,983	41,217
	-	201,978	201,978	125,766

**7. Resources expended**

	Staff costs £	Premises £	Other costs £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
<b>Academy's educational operations</b>					
- Direct costs	2,627,245	91,125	356,702	3,075,072	1,573,052
- Allocated support costs	525,389	405,896	155,875	1,087,160	486,345
Sub total	3,152,634	497,021	512,577	4,162,232	2,059,397
Governance costs including allocated support costs	-	-	65,107	65,107	87,755
Total	3,152,634	497,021	577,684	4,227,339	2,147,152

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**8 Direct costs**

	Unrestricted £	Restricted £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
<b>Teaching and educational support staff</b>				
Wages and salaries	-	2,124,321	2,124,321	1,064,000
National insurance	-	162,164	162,164	81,040
Pension costs	-	312,760	312,760	144,209
FRS17 pension costs	-	28,000	28,000	14,000
<b>Sub total</b>	-	<b>2,627,245</b>	<b>2,627,245</b>	<b>1,303,249</b>
Depreciation	-	91,125	91,125	49,388
Educational supplies	-	144,058	144,058	86,176
Exam fees	-	37,901	37,901	42,503
Staff development	-	25,969	25,969	7,795
School trips	-	127,905	127,905	75,210
Other direct costs	-	20,869	20,869	8,731
<b>Total</b>	-	<b>3,075,072</b>	<b>3,075,072</b>	<b>1,573,052</b>

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**Support costs**

	Unrestricted £	Restricted £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
<b>Support staff costs</b>				
Wages and salaries	67,148	371,621	438,769	169,434
National insurance	1,341	17,918	19,259	8,352
Pension costs	6,493	54,925	61,418	29,349
<b>Sub total</b>	<b>74,982</b>	<b>444,464</b>	<b>519,446</b>	<b>207,135</b>
Depreciation	-	18,017	18,017	6,163
Recruitment and support	-	5,943	5,943	7,954
Maintenance of premises and equipment	-	178,865	178,865	105,938
Cleaning	-	41,514	41,514	22,106
Expenditure relating to grants	-	18,645	18,645	-
Rent, rates and utilities	1,413	76,735	78,148	31,121
Insurance	-	32,536	32,536	14,822
Security and transport	-	38,171	38,171	20,524
Catering	51,291	8,342	59,633	24,796
Bank interest and other charges	-	780	780	315
Other support costs	-	95,462	95,462	45,471
<b>Total</b>	<b>127,686</b>	<b>959,474</b>	<b>1,087,160</b>	<b>486,345</b>



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

**9. Governance costs**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 12 months ended 31 August 2013 £	Total 7 months ended 31 August 2012 £
Governance Auditors' remuneration	-	13,160	13,160	13,200
Governance Auditors' non audit costs	-	6,000	6,000	3,025
Legal and professional fees	-	45,947	45,947	71,530
	-	65,107	65,107	87,755

**10. Net incoming resources / (resources expended)**

This is stated after charging

	12 months ended 31 August 2013 £	7 months ended 31 August 2012 £
Depreciation of tangible fixed assets		
- owned by the charity	109,142	55,551
Auditors' remuneration	13,160	13,200
Auditors' remuneration - non-audit	6,000	3,025
Governance Internal audit costs	-	-
Operating leases	3,304	2,340

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

**11. Staff costs**

Staff costs were as follows

	<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Wages and salaries	2,563,090	1,225,006
Social security costs	181,423	89,392
Other pension costs (Note 24)	374,178	173,558
	<u>3,118,691</u>	<u>1,487,956</u>
Supply teacher costs	-	(8,428)
	<u>3,118,691</u>	<u>1,479,528</u>

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

	<b>12 months ended 31 August 2013 No</b>	<b>7 months ended 31 August 2012 No</b>
Teachers	38	42
Administration and support	55	71
Chaplaincy	1	1
	<u>94</u>	<u>114</u>

The staff numbers for the current year are based on Full Time Equivalents compared with average numbers for the previous period

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

	<b>12 months ended 31 August 2013 No</b>	<b>7 months ended 31 August 2012 No</b>
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
	<u>1</u>	<u>1</u>

The above individual is a member of the Teachers Pension Scheme and during the period contributions totalling £9,076 (2012 £5,129) were made by the Trust

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **12. Directors' remuneration and expenses**

During the year retirement benefits were accruing to 2 Directors (2012 - 2) in respect of defined contribution pension schemes

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

	<b>12 months ended 31 August 2013 £'000</b>	<b>7 months ended 31 August 2012 £'000</b>
A Harrison, Principal and Director	45-50	20-25
B Monaghan, Principal and Director		35-40
J McCarthy, Principal and Director	60-65	

During the year, no Directors received any benefits in kind (2012 - £NIL)

During the year, no Directors received any reimbursement of expenses (2012 - £NIL)

### **13. Central services**

The Academy Trust has not provided any central services to its academies during the year

### **14. Directors' and Officers' Insurance**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,287 (2012 - £922)

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

### **15. Other finance income**

	<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Expected return on pension scheme assets	31,000	13,000
Interest on pension scheme liabilities	(59,000)	(27,000)
	<b>(28,000)</b>	<b>(14,000)</b>

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**16 Tangible fixed assets**

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2012	9,235,000	330,725	43,386	9,609,111
Additions	-	3,154	2,237	5,391
At 31 August 2013	9,235,000	333,879	45,623	9,614,502
<b>Depreciation</b>				
At 1 September 2012	21,064	31,624	2,863	55,551
Charge for the year	42,128	51,959	15,055	109,142
At 31 August 2013	63,192	83,583	17,918	164,693
<b>Net book value</b>				
At 31 August 2013	9,171,808	250,296	27,705	9,449,809
At 31 August 2012	9,213,936	299,101	40,523	9,553,560

**17. Debtors**

	2013 £	2012 £
Trade debtors	19,829	2,528
Other debtors	48,488	81,873
Prepayments and accrued income	52,403	62,194
	<u>120,720</u>	<u>146,595</u>

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

**18. Creditors**  
**Amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	23,123	91,490
Other taxation and social security	79,947	79,848
Other creditors	39,373	36,110
Accruals and deferred income	154,996	54,871
	<u>297,439</u>	<u>262,319</u>

Deferred income relates to Academies Capital Maintenance Fund income deferred until 1 September 2013 as works had not commenced at the year end

	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2012	15,540
Resources deferred during the year	106,570
Amounts released from previous years	<u>(15,540)</u>
Deferred income at 31 August 2013	<u>106,570</u>

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**19 Statement of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
General Funds	247,408	105,089	(127,686)	28,639	-	253,450
<b>Restricted funds</b>						
General annual grant (GAG)	18,261	3,548,395	(3,443,528)	(28,639)	-	94,489
Other DfE/EFA grants	-	307,079	(307,079)	-	-	-
LEA and other grants	80,401	201,978	(172,259)	-	-	110,120
Pension reserve	(801,000)	-	(49,000)	-	(35,000)	(885,000)
	(702,338)	4,057,452	(3,971,866)	(28,639)	(35,000)	(680,391)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	20,550	4,441	(9,435)	-	-	15,556
Capital donations	9,506,816	-	(101,288)	-	-	9,405,528
GAG	46,744	-	(7,066)	-	-	39,678
Other capital grants	9,998	-	(9,998)	-	-	-
	9,584,108	4,441	(127,787)	-	-	9,460,762
<b>Total restricted funds</b>	<b>8,881,770</b>	<b>4,061,893</b>	<b>(4,099,653)</b>	<b>(28,639)</b>	<b>(35,000)</b>	<b>8,780,371</b>
<b>Total of funds</b>	<b>9,129,178</b>	<b>4,166,982</b>	<b>(4,227,339)</b>	<b>-</b>	<b>(35,000)</b>	<b>9,033,821</b>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors,
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy,
- Pension reserve represents the movements on the Local Government Pension Scheme liability,
- Other restricted reserve represents funds which are restricted by the donor including school trip income,
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose

The transfer between funds relates to reallocation of costs relating to unrestricted activities

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 2013

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **19. Statement of funds (continued)**

#### **Analysis of academies by fund balance**

Fund balances at 31 August 2013 were allocated as follows

	<b>Total £</b>
Saint John Houghton Catholic Voluntary Academy	450,725
The Priory Catholic Voluntary Academy	7,334
	<hr/>
Total before fixed asset fund and pension reserve	458,059
Restricted fixed asset fund	9,460,762
Pension reserve	(885,000)
	<hr/>
Total	<u>9,033,821</u>

#### **Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total £</b>
Saint John Houghton Catholic Voluntary Academy	2,069,439	476,454	96,813	632,266	3,274,972
The Priory Voluntary Catholic Academy	557,806	42,992	47,245	186,932	834,975
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,627,245</u>	<u>519,446</u>	<u>144,058</u>	<u>819,198</u>	<u>4,109,947</u>

### **20 Analysis of net assets between funds**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Restricted fixed asset funds 2013 £</b>	<b>Total 12 months ended 31 August 2013 £</b>	<b>Total 7 months ended 31 August 2012 £</b>
Tangible fixed assets	-	-	9,449,809	9,449,809	9,553,560
Current assets	253,450	395,478	117,523	766,451	638,937
Creditors due within one year	-	(190,869)	(106,570)	(297,439)	(262,319)
Provisions for liabilities and charges	-	(885,000)	-	(885,000)	(801,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>253,450</u>	<u>(680,391)</u>	<u>9,460,762</u>	<u>9,033,821</u>	<u>9,129,178</u>

**SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**21. Net cash flow from operations**

	12 months ended 31 August 2013 £	7 months ended 31 August 2012 £
Net incoming resources before revaluations	(60,357)	9,223,178
Returns on investments and servicing of finance	(3,094)	(645)
Inherited LGPS	-	691,000
Donated assets	-	(9,560,760)
Depreciation of tangible fixed assets	109,142	55,551
Decrease/(increase) in debtors	25,875	(146,595)
Increase in creditors	35,120	262,319
Cash transferred on conversion	-	(371,945)
FRS 17 adjustments	49,000	16,000
<b>Net cash inflow from operations</b>	<b>155,686</b>	<b>168,103</b>

**22. Analysis of cash flows for headings netted in cash flow statement**

	12 months ended 31 August 2013 £	7 months ended 31 August 2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,094	645
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(5,391)	(48,351)

**23. Analysis of changes in net funds**

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	492,342	153,389	-	645,731
<b>Net funds</b>	<b>492,342</b>	<b>153,389</b>	<b>-</b>	<b>645,731</b>



# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **24 Pension commitments**

The Academy Trust's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Derbyshire and Nottinghamshire County Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2012

Contributions amounting to £35,227 were payable to the scheme at 31 August 2013 (2012 - £Nil) and are included within creditors

#### **Teachers' Pension Scheme**

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act

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

##### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

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# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013**

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#### **24. Pension commitments (continued)**

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

#### **Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **24. Pension commitments (continued)**

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £152,000, of which employer's contributions totalled £112,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 11.5% for employers and 5.5% to 7.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	12 months ended 31 August 2013 £	7 months ended 31 August 2012 £
Present value of funded obligations	(1,642,000)	(1,322,000)
Fair value of scheme assets	757,000	521,000
Net liability	<u>(885,000)</u>	<u>(801,000)</u>

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

	12 months ended 31 August 2013 £	7 months ended 31 August 2012 £
Current service cost	(133,000)	(55,000)
Interest on obligation	(59,000)	(27,000)
Expected return on scheme assets	31,000	13,000
	-	-
Total	<u>(161,000)</u>	<u>(69,000)</u>
Actual return on scheme assets	<u>83,000</u>	<u>4,000</u>

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **24. Pension commitments (continued)**

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

	<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Opening defined benefit obligation	1,322,000	-
Current service cost	133,000	55,000
Interest cost	59,000	27,000
Contributions by scheme participants	40,000	19,000
Actuarial Losses	88,000	86,000
Inherited	-	1,135,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>1,642,000</b>	<b>1,322,000</b>

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

	<b>12 months ended 31 August 2013 £</b>	<b>7 months ended 31 August 2012 £</b>
Opening fair value of scheme assets	521,000	-
Expected return on assets	31,000	13,000
Actuarial gains and (losses)	53,000	(8,000)
Contributions by employer	112,000	53,000
Contributions by employees	40,000	19,000
Inherited	-	444,000
	<hr/>	<hr/>
	<b>757,000</b>	<b>521,000</b>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £129,000 losses (2012 - £94,000 loss)

The Academy Trust expects to contribute £114,000 to its Defined Benefit Pension Scheme in 2014

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

	<b>2013</b>	<b>2012</b>
European equities	69 00 %	66 00 %
Other bonds	18 00 %	20 00 %
Property	5 00 %	5 00 %
Cash/liquidity	8 00 %	9 00 %

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **24 Pension commitments (continued)**

Saint John Houghton Catholic Voluntary Academy

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.30 %
Expected return on scheme assets at 31 August	5.70 %	5.36 %
Rate of increase in salaries	5.10 %	3.95 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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

	2013	2012
Retiring today		
Males	22.1	22.1
Females	24.7	24.7
Retiring in 20 years		
Males	23.9	23.9
Females	26.7	26.7

The Priory Catholic Voluntary Academy

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

	2013	2012
Discount rate for scheme liabilities	4.70 %	3.90 %
Rate of increase in salaries	5.10 %	4.10 %
Rate of increase for pensions in payment / inflation	2.90 %	1.90 %
Inflation assumption (CPI)	2.90 %	1.90 %

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

	2013	2012
Retiring today		
Males	18.7	18.6
Females	22.8	22.7
Retiring in 20 years		
Males	20.7	20.6
Females	24.6	24.5

# **SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST** **(A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2013**

### **24 Pension commitments (continued)**

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(1,642,000)	(1,322,000)
Scheme assets	757,000	521,000
Deficit	(885,000)	(801,000)
Experience adjustments on scheme assets	53,000	(8,000)

### **25 Operating lease commitments**

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

	Land and buildings			Other
	2013 £	2012 £	2013 £	2012 £
<b>Expiry date.</b>				
Within 1 year	-	-	1,281	4,314
Between 2 and 5 years	-	-	4,444	368

### **26 Related party transactions**

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 a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

C Harrison, wife of A Harrison director of the Trust, is employed by The Priory Catholic Voluntary Academy. C Harrison's salary is paid on an arms length basis.