CH

The Bishop Wheeler Catholic Academy Trust

# The Bishop Wheeler Catholic Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2014

TUESDAY
*A3NBF8UZ*
A20 23/12/2014 #20
COMPANIES HOUSE

Company Registration No. 8399801

CONTENTS

| | Page No |
|---|---|
| Reference and Administrative Details | 2 |
| Directors' Report | 3 – 8 |
| Governance Statement | 9 – 11 |
| Statement on Regularity, Propriety and Compliance | 12 |
| Statement of Directors' Responsibilities | 13 |
| Independent Auditor's Report on the Financial Statements | 14-15 |
| Statement of Financial Activities incorporating Income & Expenditure Account | 17-17 |
| Balance Sheet | 18 |
| Cash Flow Statement | 19 |
| Notes to the Financial Statements, incorporating: | |
| • Statement of Accounting Policies | 20 – 24 |
| • Other Notes to the Financial Statements | 25 – 44 |

## REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| **Members** | Rev Monsignor John Wilson<br>Rev Monsignor Michael Joseph McQuinn<br>Caroline Hyde |
| **Principal Finance Officer** | Gillian Osborne |
| **Accounting Officer** | Thomas Rothwell (1.10.2013- 31.8.14)<br>(Member of Audit and Finance Committee)<br>Darren Beardsley (appointed 1.9.2014) |
| **Company Secretary** | Anne Tindall |

| **Directors** | **Christian Name** | **Surname** | **Trust Membership** | **Committee Membership** |
|---|---|---|---|---|
| Principal | Alison | Ashworth | 12.02.2013 | |
| Parent | Keiran | Bentham | 12.02.2013 | |
| Staff | Bernadette | Boswell | 12.02.2013 | |
| Foundation | Eddie | Diamond | 06.05.2013 | Chair, Audit Committee |
| Foundation | Diane | Gaskin | 12.02.2013 | Chair, Finance Committee |
| Foundation | Lawrie | Hogan | 06.05.2013 | Finance Committee |
| Principal | Peter | Hughes | 12.02.2013 | Finance Committee |
| Foun/Chair | Caroline | Hyde | 12.02.2013 | Chair of Trust<br>Audit and Finance Committee |
| Foundation | Robert | Lavery | 12.02.2013 | |
| Principal | Alix | Lubomski | 12.02.2013 | |
| Foundation | Joseph | McDonnell | 12.02.2013 | |
| Staff | Philippa | Monaghan | 12.02.2013 | |
| Foundation | Mgr Paul | Owens | 25.09.2013 | Vice Chair of Trust |
| Principal | Robert | Pritchard | 12.02.2013-<br>26.09.2013 | |
| Foundation | Nick | Reed | 12.02.2013 | |
| Foundation | Diane | Sanderson | 06.05.2013 | Finance Committee |
| Parent | Jim | Tindale | 12.02.2013-<br>08.09.2014 | Audit Committee |
| Principal | Darren | Beardsley | 01.09.2014 | Accounting Officer |

| | |
|---|---|
| **Principal and Registered Office** | St Mary's Catholic High School<br>Bradford Road<br>Menston<br>LS29 6AE |
| **Company Registration Number** | 8399801 |
| **Independent Auditor** | Baker Tilly UK Audit LLP<br>2 Whitehall Quay<br>Leeds<br>LS1 4HG |
| **Bankers** | Lloyds TSB Bank<br>25 Gresham Street<br>London<br>EC2V 7HN |
| **Solicitors** | Browne Jacobson<br>Mowbray House<br>Castle Meadow Road<br>Nottingham<br>NG2 1BJ |

# DIRECTORS' REPORT

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

**Structure, Governance and Management**

**Constitution**
The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association dated 13 February 2013 are the primary governing documents of the Academy Trust. The Directors of The Bishop Wheeler Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Bishop Wheeler Catholic Academy Trust.

The Bishop Wheeler Catholic Academy Trust is made up of six academies:

St. Mary's Menston, a Catholic Voluntary Academy

St. Joseph's Catholic Primary School Otley, a Voluntary Academy

Ss. Peter and Paul Catholic Primary School, a Voluntary Academy

Sacred Heart Catholic Primary School, a Voluntary Academy

St. Mary's Horsforth Catholic Voluntary Academy

St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 2.

**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, as required in the Trust's Funding Agreement/Articles of Association, for the debts and liabilities contracted before they ceased to be a member.

**Directors' Indemnities**
Indemnity for the claims made against the Directors of the Academy Trust as a result of undertaking everyday authorised activities on behalf of the Academy Trust is in place at a level of £5,000,000 and is reviewed annually as part of the whole Trust review of insurances.

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

- Foundation Directors - (10) appointed by the Diocesan Bishop, following an application process throughout the Diocese and in particular within the Parishes which are served by the Academies within the Trust. Directors are selected in order to provide a broad range of skills and experience and be supportive of Catholic education within the Diocese. They must all be practising Catholics. The Foundation Directors shall always be two more than the total number of other Directors.
- Parent Directors - (2) Elected by and from all the parent governors serving on all the Academy Councils, of all the Academies of the Trust, at the time of their election. There shall always be 2 Parent Directors for every 10 or fewer academies.
- Principal Directors - (4) Elected by and from all the Principals of all the Academies within the Trust at the time of election. There shall always be at least one principal from a Secondary and one from a Primary academy. Any Executive Principal shall be a Director as long as s/he remains in office.
- Staff Directors - (2) Elected by and from all the staff governors serving on all the Academy Councils of all the Academies of the Trust, at the time of their election. However, the Trust Board, now established, will determine the criteria for the election of future Staff Directors, as outlined in the Articles of Association.

The term of office for any Director is 4 years and subject to remaining eligible as outlined above, Directors may be reappointed. Upon the resignation of any Director a replacement will be appointed or elected as outlined above.

**Policies and Procedures Adopted for the Induction and Training of Directors**
All Directors have access to and are taking advantage of training provided by both the Diocesan Education Office and Leeds and Bradford LAs. Directors are sharing experience and skills as a group and individually where appropriate. The Diocesan Director of Education provides advice and support. A targeted training programme is being developed and induction schemes will be implemented as required.

**Organisational Structure**
The Trust currently consists of 6 academies; 1 secondary school and the 5 partner primary schools. The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance and estate. The Trust has Finance and Audit Committees to support this role, who normally meet jointly, but separately where appropriate. Other subcommittees may be established as the need is identified. The Trust is also the Admissions Authority and employer for all the Academies within the Trust. The executive leadership and direction is via the Headteachers' Group, which consists of all the Headteachers from all the Academies within the Trust.

The Accounting Officer is the Headteacher of the secondary school.

The Trust is based upon the principle of subsidiarity, with decision making delegated to the most appropriate level. Each Academy has an Academy Council consisting of foundation, parent and staff governors. The organisation of the Academy Councils and their relationship with the Trust Board are outlined in the "Scheme of Delegation". Each Academy Council has agreed and signed the scheme of delegation.

There is a shared central function for business management, finance and HR. All appointments, except Head and Deputy Headteachers are made locally. Admissions policies and numbers are set by the Diocese in conjunction with the Trust, but administered locally. We are in the process of aligning all statutory policies throughout the Trust and in line with the Catholic Education Service.

**Connected Organisations including Related Party Relationships**
The Bishop Wheeler Catholic Academy Trust is part of the Diocese of Leeds and works closely with both the Diocesan Education Office and all Catholic schools and Academies within the Diocese. Each individual Academy within the Trust also works closely with our neighbouring schools and communities as well as with our 2 local Authorities: Leeds and Bradford.

Each Academy also works with a number of local, national and international charities and organisations in pursuit of the activities as defined in the "Object" of the Trust.

**Risk Management**
The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

**Objectives and Activities**
**Objects and Aims**
The Trust, through its member Academies and wider Trust Board aims to provide a world class Catholic education to the young people and families within the area in conjunction with and as directed by the Diocese of Leeds. The academies within the Trust work together to develop this provision in line with Gospel values and with due regard to the Catholic Church in order to provide the best possible opportunities for all our young people and families. These objects and aims are outlined in the Articles of Association, Schemes of Delegation and the School Development Plans for each Academy.

The Catholic Education Service application form is used by all individual academies and complies with the Equality Act 2010. A 'reasonable adjustment' statement is included in application packs. The Trust's Equality and Diversity Policy and Plan is under review for 2014-15, awaiting updated guidance from Leeds City Council. Each academy has an individual Accessibility Policy and Plan.

The Headteachers meet every half term to discuss aspects of the Trust's Development Plan. The financial current and projected position is reported through the Headteacher's Forum, Trust Finance and Audit Committee and Trust Board. The Trust website is updated regularly with key news and developments. Trust staff meet as a group twice each year for Mass. The Trust Board is committed to maintaining and developing a systematic provision of employee information, through approved Trust policies, appropriate consultation for change, consistent advice from the Trust central office, thereby achieving a common awareness of the Trust's overall performance.

**Objectives, Strategies and Activities**
**From the Trust Development Plan:**

| Objective | Strategy |
|---|---|
| Excellence of curriculum provision, all Trust schools rated Ofsted outstanding | Heads will meet to look at curriculum provision |
| Excellent Catholic schools, all Trust schools judged outstanding by s48 inspection | 2 schools achieved an "outstanding" Section 48 this year |
| School to school support –within our Trust schools, other Catholic schools and our wider community | Plan built on our school's strengths and weaknesses within the Trust initially, with widening focus over time. Teaching Schools has been fully established, identifying and training key staff |
| Sustainable finance structure to support all schools and the Trust as a whole | High quality accounting, budgeting and financial management staff and structures in place |
| Work towards best value in all expenditure, whilst maintaining our ethos and principle of subsidiarity | Needs are highlighted through this first year allowing best value to be the focus for the coming year |
| Excellent HR provision | Review and develop provision across the Trust to support all Academies |
| To become a Living Wage employer | An analysis of potential cost within the Trust and how other organisations have implemented. To consider in the light of minimum wage, job parity and differentials |
| Improve buildings, facilities and capacity | Develop a plan to maximise opportunities for accessing resources. Capacity plan based on projected numbers |
| Succession planning for staff, teachers and leaders | Looking to develop opportunities for staff at all levels across the Trust and wider Catholic Education |
| Develop the process and capacity to welcome other schools within our area to join the Trust | Plan for any "Harrogate group" schools to join if requested. Ability to support failing schools within the Diocese if needed. |
| Catholic Ethos and Spirituality | Ongoing reinforcement of ethos and focus between all the schools of The Trust. Collaborative work on S48 RE Review |
| Policies | Creation, approval and implementation of Trust policies, consistent across the Trust with appropriate review schedule |

**Public Benefit**

The Academy Trust's Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commissions (on their website at Charities and Public Benefit) in exercising their power or duties.

**STRATEGIC REPORT**

**Achievements and Performance**

- Measures of progress exceed national expectations
- All schools are full to capacity or over subscribed
- All schools are financially stable
- All schools are good or outstanding as judged by Ofsted and the Diocese of Leeds
- Strong central finance and business function is in place ensuring strategic direction
- Developments are ongoing to ensure the best possible catholic education for all our pupils from foundation stage through to 6th form
- Robust staff structures in place across all schools with an effective CPD programme

**Key Performance Indicators**

| School | Ofsted outcome | Section 48 | Headline Results | | Attendance |
|---|---|---|---|---|---|
| St Mary's, Menston Catholic Voluntary Academy | Outstanding November 2014 | Outstanding March 2014 | GCSE % 5A* - C 80%<br>APPE 210 | | 95.4% |
| St. Joseph's Catholic Primary School, Otley | Good November 2014 | Outstanding June 2014 | R Level 4+ 94%<br>W Level 4+ 94%<br>M Level 4+ 90% | R Level 5+ 58%<br>W Level 5+ 42%<br>M Level 5+ 45% | 96.6% |
| Ss Peter and Paul Catholic Primary School | Good with outstanding April 2010 | Good October 2007 | R Level 4+ 97%<br>W Level 4+ 90 %<br>M Level 4+ 90% | R Level 5+ 71%<br>W Level 5+ 10%<br>M Level 5+ 43% | 98% |
| Sacred Heart Catholic Primary School Ilkley | Outstanding February 2007 | Good March 2013 | R 4+ 100%<br>W 4+ 100%<br>M 4+ 100% | R Level 5+ 97%<br>W Level 5+ 97%<br>M Level 5+ 94% | 96.3% |
| St Mary's Horsforth Catholic Voluntary Academy | Outstanding March 2013 | Outstanding March 2013 | R Level 4+ 100%<br>W Level 4+ 97%<br>M Level 4+ 97% | R Level 5+ 81%<br>W Level 5+ 42%<br>M Level 5+ 58% | 97.7% |
| St. Joseph's Catholic Primary School Pudsey | Good 2008 | Good 2014 | R Level 4+ 94%<br>W Level 4+ 91%<br>M Level 4+ 84% | R Level 5+ 50%<br>W Level 5+ 38%<br>M Level 5+ 28% | 96% |

**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 futuure. 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 Statement of Accounting Policies.

**Financial Review**
The principal source of funding is the general annual grant (GAG) allocated by the EFA. £9,618,798 was received for the year (note 3) – an estimated 1.5% increase on the previous year (the actual accounting period was 6 months) which reflects the stability of all individual academies' pupil numbers. The high school and one primary school have increased pupil numbers. Other government grants, such as the Pupil Premium, have been received in line with pupil eligibility for free school meals over the past six years. Each Academy generates their own income, for example through their catering functions, community use, extended services provisions. Total funding received for the Academy Trust's educational operations is £10,914,751 representing an estimated 4.75% increase on the previous year. Resources expended (note 4) reflect a similar percentage increase in costs on the previous year and so can be considered to be in line. Individual budgets are established and approved in line with individual school improvement plans - approved by individual Academy Councils then recommended to the Trust Board for approval. Budgets are monitored and reported to individual finance sub committees at least three times a year where the ongoing financial position is scrutinised. Reports from these meetings are fed back to Academy Council and Trust Board. The Trust's Risk Register is monitored and reported at regular intervals.

**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 Audit Committees 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 are in the process of establishing a peer review system with a sister Multi Academy Trust.

Any remedial actions required will be evaluated and reviewed ongoing.

**Reserves Policy**
Excluding the pension scheme liability and fixed asset fund, the Academy funds carried forward as at 31 August 2014 are a surplus of £784,252 (2013 £659,177), split between general restricted funds £242,992 (2013 £68,698) and unrestricted funds £541,260 (2013 £590,479).

The general restricted funds balance relates to unspent grants from DfE/EFA that are allocated against projects that will take place within the next 12 months.

It is the intention of the Trustees that unrestricted funds are substantial enough to cover the Academy's normal operating expenditure for the next month to ensure protection against both forseen and unforeseen events which would place a strain on the day to day running of the Academy. Each Academy may choose to build up additional reserves to fund capital projects and to cover the cost of significant property maintenance.

The fixed asset funds are represented by fixed assets with a carrying value of £9,499,722 (2013 £9,812,738).

The Trust's pension scheme liability at 31 August 2014 amounted to £1,357,000 (2013 £1,492,000). This liability does not have an immediate impact on cash flow, but may result in increased contributions in future years. Parliament has agreed, that at the request of the Secretary of State for Education, to guarantee that in the event of an academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

**Investment Policy**
Investment decisions will be considered and authorised by the Finance Committee. A register of investments will be held as appropriate, ensuring social, environmental and ethical considerations are taken into account.

**Principal Risks and Uncertainties**
The principal risk is reduction in government funding. General uncertainty over the future of funding streams is addressed by keeping informed of the latest government policies and initiatives for education and responding accordingly at Trust level. A key objective for all academies is to undertake capital bids in order to maintain and expand the buildings to create the additional capacity required for existing numbers and projected long-term increases in pupil admissions.

**Plans for Future Periods**
Directors are developing a strategic plan across all the Academies. This builds upon the individual school development plans of each Academy as well as a wider view of the need to provide high quality Catholic education which can be available to all the families within our area.

The greatest challenges are maintaining and developing dated buildings, providing additional school places as required and continuing to offer high quality education against shrinking budgets. St Joseph's Pudsey is expanding to 1.5 form entry in September 2015. The expansion building work is due to commence in January 2015. We will look to develop central provision where this is most appropriate and cost effective, whilst maintaining the principle of subsidiarity. The Trust will develop as a model for the provision of the best Catholic education, support other Catholic schools and develop future Catholic teachers and school leaders.

**Auditor**
Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

**Statement as to disclosure of information to the auditor**
Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors' Report and the Strategic Report (including therein) is approved by order of the board of directors at the Audit and Finance Committee Meeting on 16 December 2014 and signed on its behalf by:

**Caroline Hyde**
Chair of the Trust

# GOVERNANCE STATEMENT

**Scope of Responsibility**

As Directors we acknowledge we have overall responsibility for ensuring that The Bishop Wheeler 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.

During the year ended 31 August 2014 the Board of Directors has delegated the day-to-day responsibility to Thomas Rothwell, Acting Headteacher, St Mary's, Menston, 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 The Bishop Wheeler 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. This role ended on 31 August 2014. Day to day responsibility was then delegated to Darren Beardsley, Headteacher, from 1 September 2014.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

| Director: | Meetings attended of possible |
|---|---|
| | |
| Alison Ashworth | 4 of 4 |
| Kieran Bentham | 4 of 4 |
| Bernadette Boswell | 3 of 4 |
| Eddie Diamond | 4 of 4 |
| Diane Gaskin | 4 of 4 |
| Lawrie Hogan | 3 of 4 |
| Peter Hughes | 3 of 4 |
| Caroline Hyde | 4 of 4 |
| Robert Lavery | 4 of 4 |
| Alix Lubomski | 4 of 4 |
| Joseph McDonnell | 4 of 4 |
| Philippa Monaghan | 2 of 4 |
| Mg Paul Owens | 3 of 4 |
| Robert Pritchard | Resigned 26 September 2013 |
| Nick Reed | 4 of 4 |
| Diane Sanderson | 3 of 4 |
| Jim Tindale | 4 of 4 (incl 1 tel link) |

**Finance and Audit Committees**

Where needed, the Finance and Audit Committees meet separately as sub-committees of the main Board of Directors, where their roles and terms of reference are clearly defined. However they are currently working as a joint committee.

**Purpose of the Finance Committee:**

- ensure strategic financial plans reflect the Trust's key objectives
- oversee financial planning and approve annual budgets, ensuring short term budgets are in line with agreed longer term plans
- ensure that proper accounts and records are maintained
- safeguard assets
- manage the Trust's investments
- ensure financial solvency is fulfilled
- prepare, monitor and review financial policies and recommend approval to the Board
- monitor the financial position through accurate and timely reports
- monitor and review best value for money principles
- review insurance policies annually

**Purpose of the Audit Committee:**

- gain assurance that the Trust's risk management, control and governance arrangements are adequate and effective
- appoint and engage the external auditor and review remuneration and terms of engagement annually
- monitor the integrity of the financial statements, reviewing reporting judgments contained in them
- review the effectiveness of the systems of internal control through the internal audit function
- promote and secure co-ordination between the external and internal audit functions
- monitor the implementation of audit recommendations
- monitor and maintain the risk management plan (risk register)

Three meetings of the joint Finance and Audit Committees and one meeting of the Finance Committee took place with attendance at the meetings as follows:

| Directors: | Meetings attended | Out of a possible |
|---|---|---|
| Eddie Diamond | 3 | 3 |
| Diane Gaskin | 4 | 4 |
| Lawrie Hogan | 4 | 4 |
| Peter Hughes | 3 | 4 |
| Caroline Hyde | 4 | 4 |
| Robert Pritchard | 1 | 1 |
| Diane Sanderson | 3 | 4 |
| Jim Tindale | 3 | 3 |

**The Purpose of the System of Internal Control**

The system of internal control, called 'Financial Procedures to Support the Academy Council Scheme of Delegation', 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 on-going 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 generic system of internal control is in place in each Academy, the values of delegated duties tailored to reflect each Academy's needs.

GOVERNANCE STATEMENT (continued)

**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 on-going process for identifying, evaluating and managing the Trust's significant risks up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the Audit Committee and reported back to the Trust Board.

**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 Audit Committees 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 are in the process of establishing a peer review system with a sister Multi Academy Trust.

Any remedial actions required will be evaluated and reviewed ongoing.

**Review of Effectiveness**
Thomas Rothwell (as accounting officer until 31 August 2014) has had responsibility for reviewing the effectiveness of the system of internal control. The review has been informed by:

- the Trust Group Accountant acting as peer reviewer;
- the work of the external auditor;
- 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 role was handed over to Darren Beardsley, newly appointed Headteacher of the High School, on 1st September 2014. Mr Beardsley has been advised of the implications and responsibilities of the role and is fully conversant with the action plan to address any weaknesses and ensure continuous improvement of the systems in place.

Approved by order of the members of the Board of Directors on 16 December 2014 and signed on its behalf by:

**Caroline Hyde**
Chair of Trust Board

**Darren Beardsley**
Accounting Officer

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bishop Wheeler 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.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the EFA.

**Darren Beardsley**
Accounting Officer

Date: 16 December 2014

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who act as governors of The Bishop Wheeler Catholic Academy Trust and are also the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 16 December 2014 and signed on its behalf by:

**Caroline Hyde**
Chair of Trust Board

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2014

We have audited the financial statements of The Bishop Wheeler Catholic Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and 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 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**
As explained more fully in the Statement of Director's Responsibilities set out on page 13, the directors (who act as trustees for the charitable activities of the charitable company) 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.

**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 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 charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**Opinion on other requirement of the Companies Act 2006**
In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2014**

**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:

- the charity has not kept adequate accounting records, 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.

Baker Tilly UK Audit LLP

VICTORIA CRAVEN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Date 18/12/14

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
for the year ended 31 August 2014

| | Notes | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Year ended 31 Aug 2014 £ | Period from 12 Feb 2013 to 31 Aug 2013 £ |
|---|---|---|---|---|---|---|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 1 | 84,176 | 445,240 | - | 529,416 | 84,940 |
| Activities for generating funds | 2 | 18,566 | 103,682 | - | 122,248 | 99,270 |
| Transfer of assets on conversion | 21 | - | - | - | - | 10,704,687 |
| Incoming resources from charitable activities: | | | | | | |
| Academy Trust's educational operations | 3 | 722,842 | 10,191,909 | - | 10,914,751 | 5,209,913 |
| TOTAL INCOMING RESOURCES | | 825,584 | 10,740,831 | - | 11,566,415 | 16,098,810 |
| RESOURCES EXPENDED | | | | | | |
| Cost of generating funds: | | | | | | |
| Costs of generating voluntary income | | - | 11,461 | - | 11,461 | 47,614 |
| Charitable activities: | | | | | | |
| Academy Trust's educational operations | 5 | 812,095 | 10,445,909 | 383,493 | 11,641,497 | 5,335,137 |
| Governance costs | 6 | - | 99,398 | - | 99,398 | 190,602 |
| Other resources expended – transfer from local authority on conversion | 21 | - | - | - | - | 1,224,542 |
| TOTAL RESOURCES EXPENDED | | 812,095 | 10,556,768 | 383,493 | 11,752,356 | 6,797,895 |
| NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS | | 13,489 | 184,063 | (383,493) | (185,941) | 9,300,915 |
| Transfers between funds | 14 | (62,708) | (7,769) | 70,477 | - | - |

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) *(contined)*
for the year ended 31 August 2014

| | Notes | Unrestricted funds | Restricted general funds | Restricted fixed asset funds | Year ended 31 Aug 2014 | Period from 12 Feb 2013 to 31 Aug 2013 |
|---|---|---|---|---|---|---|
| NET INCOME/(EXPENDITURE) FOR PERIOD | | (49,219) | 176,294 | (313,016) | (185,941) | 9,300,915 |
| OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| Actuarial gain/(loss) on defined benefit schemes | 23 | - | 133,000 | - | 133,000 | (321,000) |
| NET MOVEMENT IN FUNDS | | (49,219) | 309,294 | (313,016) | (52,941) | 8,979,915 |
| RECONCILIATION OF FUNDS | | | | | | |
| TOTAL FUNDS BROUGHT FORWARD | | 590,479 | (1,423,302) | 9,812,738 | 8,979,915 | - |
| TOTAL FUNDS CARRIED FORWARD | 14 | 541,260 | (1,114,008) | 9,499,722 | 8,926,974 | 8,979,915 |

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

BALANCE SHEET
31 August 2014

Company Registration No. 8399801

| | Notes | 2014 £ | 2013 £ |
|---|---|---|---|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 9,499,722 | 9,812,738 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 199,511 | 284,886 |
| Cash at bank and in hand | | 950,219 | 696,371 |
| | | 1,149,730 | 981,257 |
| CREDITORS: Amounts falling due within one year | 13 | (365,478) | (322,080) |
| NET CURRENT ASSETS | | 784,252 | 659,177 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 10,283,974 | 10,471,915 |
| Pension scheme liability | 23 | (1,357,000) | (1,492,000) |
| NET ASSETS INCLUDING PENSION LIABILITY | | 8,926,974 | 8,979,915 |
| FUNDS OF THE ACADEMY TRUST: | | | |
| RESTRICTED FUNDS | | | |
| Fixed asset fund | | 9,499,722 | 9,812,738 |
| General fund | | 242,992 | 68,698 |
| Restricted funds excluding pension reserve | 14 | 9,742,714 | 9,881,436 |
| Pension reserve | 14 | (1,357,000) | (1,492,000) |
| TOTAL RESTRICTED FUNDS | | 8,385,714 | 8,389,436 |
| TOTAL UNRESTRICTED INCOME FUNDS | 14 | 541,260 | 590,479 |
| TOTAL FUNDS | | 8,926,974 | 8,979,915 |

The financial statements on pages 16 to 44 were approved by the trustees and authorised for issue on 16 December 2014, and are signed on their behalf by:

.....

**Caroline Hyde**
Chair of Trust Board

# CASH FLOW STATEMENT
for the year ended 31 August 2014

| | Notes | Year ended 31 Aug 2014 £ | Period from 12 Feb 13 to 31 Aug 2013 £ |
|---|---|---|---|
| NET CASH INFLOW/(OUT FLOW) FROM OPERATING ACTIVITIES | 17 | 324,325 | (14,132) |
| Capital expenditure | 18 | (70,477) | (12,584) |
| Cash transferred on conversion to an academy trust | 19 | - | 723,087 |
| INCREASE IN CASH IN THE PERIOD | | 253,848 | 696,371 |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS | | | |
| NET FUNDS AT 1 SEPTEMBER | | 696,371 | - |
| Increase in cash in the period | | 253,848 | 696,371 |
| NET FUNDS AT 31 AUGUST | | 950,219 | 696,371 |

**Basis of preparation**
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Going Concern**
The Directors assess whether or not there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Directors will make the assessment in respect of a period of one year from the date of approval of each set of financial statements.

**Incoming Resources**
All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The constraints placed on income received will determine whether or not the income is restricted or unrestricted. Unrestricted income can be used for any purpose directed by the Directors in accordance with the objects of the Trust.

**Grants receivable**
Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

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

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

**Donated Services and gifts in kind**
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 Academy Trusts policies.

**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.

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

**Charitable activities**
These are costs incurred on the Academy Trust's educational operations.

**Conversion to an Academy Trust**
The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school The Bishop Wheeler Catholic Academy Trust to an academy trust were valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Bishop Wheeler Catholic Academy Trust. The amounts were recognised under the appropriate balance sheet categorised, with a corresponding amount recognised in voluntary income as a gift or as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds. Further details of the transaction are set out in note 21.

**Governance Costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**
Groups of assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

- long leasehold buildings – over the life of the asset
- leasehold land – 125 years over the life of the lease
- fixtures, fittings and equipment – 20% - 33.33% straight line
- ICT equipment – 25% straight line

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

**Disposal of Assets**
Up to £500 – authorised by Headteacher
Over £500 – authorised by Academy Council Finance sub-committees

Asset disposal forms will be signed and retained by the Finance Officer.

**Security of Assets**
Budget holders are responsible for the care, custody and security of the stock and equipment under their control. They will consult the Finance Director when they consider additional security arrangements may be needed. Assets shall not be subject to personal use without authorisation.

**Leased Assets**
Rentals under operating leases are charged on a straight line basis over the lease term.

**Stock**
Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

**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.

**Pensions Benefits**
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'), until April 2016, 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 quadrennial valuations using a prospective benefit method. As stated in Note 23 , 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.

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 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 until 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.

**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 governors.
Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA where the asset acquired or created is held for a specific purpose.
Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

**Agency arrangements**
The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to EFA.

**Treasury Management Policy**
Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as the management of the Academy's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The objectives of treasury management are:

a) to provide a means by which the Academy can meet its commitments;
b) to ensure that sufficient sums are available at short or no notice to meet foreseeable requirements;
c) to earn an acceptable rate of return on surplus funds without undue risk;
d) to spread risk between differing types of investment and institutions.

1. **Responsibility**
   The Accounting Officer has overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Finance Director.

2. **Borrowing of Funds**
   Academies are not permitted to borrow without prior permission of the Secretary of State.

3. **Investment of Funds**
A return on working capital should be optimised whilst allowing easy access of the funds. **In balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return.**

Monies surplus to the working requirements shall be invested in an account in the name of the Trust with approved institutions authorised by the Trust.

The Trust will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

The Trustees will ensure that the Trust maintains sufficient reserves to meet unexpected expenditure.

4. **Register of Investments**
The Finance Director will maintain a register of all deposits/investments held which will record:

- institution with which the deposit was made
- date deposit was placed
- amount deposited
- date of maturity
- amount returned
- interest earned
- rate of interest obtained
- authorisation for the transaction

5. **Credit Risk**
Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved at least annually by the Trust Board and more frequently subject to market conditions.

6. **Cash Flow Forecasts**
The Finance Director and Group Accountant will prepare and present an annual monthly cash flow statement to the Trust Finance Sub Committee at the beginning of each academic year in order to highlight expected cash balances throughout the year that may be invested and give early warning of any need to seek approval to borrow. They will then subsequently maintain a rolling 12 month forecast.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1 VOLUNTARY INCOME

| | Unrestricted Funds | Restricted Funds | Restricted Fixed Asset Funds | Year ended 31 Aug 2014 Total | Period ended 31 Aug 2013 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| DfE/EFA capital grant for building | - | 445,240 | - | 445,240 | 55,792 |
| Other donations | 84,176 | - | - | 84,176 | 29,148 |
| | 84,176 | 445,240 | - | 529,416 | 84,940 |

2 ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted Funds | Restricted Funds | Restricted Fixed Asset Funds | Year ended 31 Aug 2014 Total | Period ended 31 Aug 2013 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Income from recharge of services | 5,000 | - | - | 5,000 | 20,000 |
| Extended services | - | 103,682 | - | 103,682 | - |
| Other income | 13,566 | - | - | 13,566 | 79,270 |
| | 18,566 | 103,682 | - | 122,248 | 99,270 |

3 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds | Restricted Funds | Restricted Fixed Asset Funds | Year ended 31 Aug 2014 Total | Period ended 31 Aug 2013 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| DfE/EFA REVENUE GRANTS: | | | | | |
| General Annual Grant | - | 9,618,798 | - | 9,618,798 | 4,737,440 |
| Other DfE/EFA grants | - | 332,806 | - | 332,806 | 123,495 |
| Other income: | | | | | |
| Other Government Grants | 2,000 | 146,317 | - | 148,317 | 24,385 |
| Catering income | 358,565 | - | - | 358,565 | 102,331 |
| Trip income | 235,007 | - | - | 235,007 | 78,246 |
| Hire of facilities | 84,163 | - | - | 84,163 | 40,886 |
| Other income | 43,107 | 93,988 | - | 137,095 | 103,130 |
| | 722,842 | 10,191,909 | - | 10,914,751 | 5,209,913 |

4 RESOURCES EXPENDED

| | | Non Pay Expenditure | | | |
|---|---|---|---|---|---|
| | Staff Costs | Premises Costs | Other Costs | Year ended 31 Aug 2014 Total | Period ended 31 Aug 2013 Total |
| | £ | £ | £ | £ | £ |
| Cost of activities for generating voluntary income | - | 11,461 | - | 11,461 | 47,614 |
| Academy's educational operations: | | | | | |
| Direct costs | 7,120,819 | 383,493 | 533,412 | 8,037,724 | 3,747,968 |
| Allocated support costs | 1,553,882 | 929,888 | 1,120,003 | 3,603,773 | 1,587,169 |
| Other resources expended transfer from local authority on conversion | - | - | - | - | 1,224,542 |
| | 8,674,701 | 1,324,842 | 1,653,415 | 11,652,958 | 6,607,293 |
| Governance costs including allocated support costs | - | - | 99,398 | 99,398 | 190,602 |
| | 8,674,701 | 1,324,842 | 1,752,813 | 11,752,356 | 6,797,895 |

| | Year ended 31 Aug 2014 Total | Period ended 31 Aug 2013 Total |
|---|---|---|
| | £ | £ |
| Net (outgoing)/incoming resources for the period are stated after charging: | | |
| Operating leases: | | |
| Plant and machinery | 67,855 | 29,347 |
| Fees payable to Baker Tilly UK Audit LLP and its associates for: | | |
| Audit | 34,046 | 26,913 |
| Other services | - | 6,168 |

5 CHARITABLE ACTIVITIES – ACADEMY EDUCATIONAL OPERATIONS

| | Year ended 31 Aug 2014 Total £ | Period ended 31 Aug 2013 Total £ |
|---|---|---|
| DIRECT COSTS | | |
| Teaching and educational support staff costs | 7,120,819 | 3,374,863 |
| Depreciation | 383,493 | 181,446 |
| Educational supplies | 195,097 | 50,011 |
| Examination fees | 122,300 | 96,861 |
| Staff development | 50,740 | 15,096 |
| Educational consultancy | 77,928 | 20,975 |
| Other direct costs | 87,347 | 8,716 |
| | 8,037,724 | 3,747,968 |
| ALLOCATED SUPPORT COSTS | | |
| Support staff costs | 1,553,882 | 708,367 |
| Technology | 200,438 | 89,440 |
| Recruitment and support | 20,742 | 11,445 |
| Maintenance of premises and equipment | 574,339 | 148,104 |
| Cleaning | 28,632 | 15,163 |
| Rent and rates | 76,940 | 31,285 |
| Energy costs | 160,158 | 83,392 |
| Insurance | 118,451 | 69,308 |
| Security and transport | 37,141 | 17,319 |
| Catering | 375,042 | 130,482 |
| Bank interest and charges | 802 | 512 |
| Pension finance cost | (22,000) | (10,000) |
| Other support costs | 247,599 | 197,048 |
| Trip expenditure | 231,607 | 95,304 |
| | 3,603,773 | 1,587,169 |
| | 11,641,497 | 5,335,137 |

## 6 GOVERNANCE COSTS

| | Year ended 31 Aug 2014 Total £ | Period ended 31 Aug 2013 Total £ |
|---|---|---|
| Legal & professional fees | 52,309 | 157,521 |
| Accountancy fees | 13,043 | 6,168 |
| Auditor's remuneration: | | |
| Audit of financial statements | 34,046 | 26,913 |
| | 99,398 | 190,602 |

## 7 STAFF COSTS

| | Year ended 31 Aug 2014 Total £ | Period ended 31 Aug 2013 Total £ |
|---|---|---|
| Staff costs during the period were: | | |
| Wages and salaries | 6,824,977 | 3,281,837 |
| Social security costs | 464,478 | 226,544 |
| Pension costs | 1,102,168 | 504,133 |
| | 8,391,623 | 4,012,514 |
| Supply staff costs | 283,078 | 45,716 |
| Staff restructuring costs | - | 15,000 |
| | 8,674,701 | 4,073,230 |

Included in staff restructuring costs are non-statutory /non-contractual serverance payments totally £Nil (2013: £15,000).

7 STAFF COSTS *(continued)*

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

| | Year ended 31 Aug 2014 Total No | Period ended 31 Aug 2013 Total No |
|---|---|---|
| Teachers | 141 | 128 |
| Educational support | 79 | 74 |
| Other | 140 | 129 |
| | 360 | 331 |

The average number of persons, expressed as full time equivalents, employed by the Academy Trust during the period was as follows:

| | Year ended 31 Aug 2014 Total No | Period ended 31 Aug 2013 Total No |
|---|---|---|
| Teachers | 128 | 104 |
| Educational support | 46 | 54 |
| Other | 71 | 72 |
| | 245 | 230 |

The number of employees whose annual emoluments fell within the following band was:

| | 2014 No | 2013 No |
|---|---|---|
| £70,000 - £80,000 | 2 | 2 |

The above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £20,422 (2013: £7,506).

8 CENTRAL SERVICES

The Bishop Wheeler Catholic Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- Other as arising

The Bishop Wheeler Catholic Academy Trust charges for these services on the following basis:

- Fixed Fee

The actual amounts charged during the year were as follows:

| | Year ended 31 Aug 2014 Total £ |
|---|---|
| Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy | 15,000 |
| St Joseph's Catholic Primary School Pudsey, a Voluntary Academy | 15,000 |
| St Joseph's Catholic Primary School Otley, a Voluntary Academy | 15,000 |
| St Mary's Horsforth Catholic Voluntary Academy | 15,000 |
| St Mary's Menston, a Catholic Voluntary Academy | 75,000 |
| Ss Peter and Paul Catholic Primary School, a Voluntary Academy | 15,000 |
| | 150,000 |

## 9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

The value of the Accounting Officer's remuneration was £71,795 (2013 £11,637). The Accounting Officer is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the period amounted to £10,211 (2013:£1,641).

A Ashworth (principal and trustee) received remuneration of £56,109 in 2014 and is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £7,911.

B Boswell (staff trustee) received remuneration of £25,148. The staff trustee is accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £4,325.

P Hughes (principal and trustee) received remuneration of £58,946. The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £8,311.

A Lubomski (principal and trustee) received remuneration of £59,677. The staff trustee is not accruing retirement benefits under the Teachers' Pension Scheme.

P Monaghan (staff trustee) received remuneration of £11,744. The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £1,656.

During the year ended 31 August 2014, travel and subsistence expenses totalling £596 (2013: £177) were reimbursed to the trustees.

Related party transactions involving the trustees are set out in note 24.

## 10 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £6,280 (2013: £8,582).

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

## 11 FIXED ASSETS

| | Land and Buildings £ | ICT Equipment £ | Fixtures, Fittings & Equipment £ | Total £ |
|---|---|---|---|---|
| Cost: | | | | |
| 1 September 2013 | 9,981,277 | 6,307 | 6,600 | 9,994,184 |
| Additions | 44,769 | 13,208 | 12,500 | 70,477 |
| 31 August 2014 | 10,026,046 | 19,515 | 19,100 | 10,064,661 |
| Depreciation: | | | | |
| 1 September 2013 | 180,260 | 526 | 660 | 181,446 |
| Charged in the year | 378,744 | 2,646 | 2,103 | 383,493 |
| 31 August 2014 | 559,004 | 3,172 | 2,763 | 564,939 |
| Net book value: | | | | |
| 31 August 2013 | 9,801,017 | 5,781 | 5,940 | 9,812,738 |
| Net book value: | | | | |
| 31 August 2014 | 9,467,042 | 16,343 | 16,337 | 9,499,722 |

## 12 DEBTORS

| | 2014 £ | 2013 £ |
|---|---|---|
| Trade debtors | 2,035 | 6,735 |
| Other debtors | - | 48,317 |
| VAT recoverable | 52,894 | 68,165 |
| Prepayments and accrued income | 144,582 | 161,669 |
| | 199,511 | 284,886 |

## 13 CREDITORS

| | 2014 £ | 2013 £ |
|---|---|---|
| Trade creditors | 213,269 | 254,756 |
| Other creditors | 8,425 | 1,668 |
| Accruals and deferred income | 143,784 | 65,656 |
| | 365,478 | 322,080 |

CREDITORS (continued)

| DEFERRED INCOME | 2014<br>£ |
|---|---|
| Deferred income at 1 September 2013 | - |
| Resources deferred in the year | 97,140 |
| Amounts released from previous years | - |
| Deferred income at 31 August 2014 | 97,140 |

At the Balance Sheet date the Academy Trust was holding funds received in advance for Key Stage 1 Universal Free School Meals.

14 FUNDS

| | At 1 September 2013 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | At 31 August 2014 £ |
|---|---|---|---|---|---|
| RESTRICTED GENERAL FUNDS | | | | | |
| General Annual Grant (GAG) (excluding pension reserve | 41,373 | 9,618,798 | (9,652,402) | (7,769) | - |
| Other DfE/EFA grants | - | 778,046 | (637,391) | - | 140,655 |
| Other income | 27,325 | 343,987 | (268,975) | - | 102,337 |
| Pension reserve | (1,492,000) | - | 2,000 | 133,000 | (1,357,000) |
| | (1,423,302) | 10,740,831 | (10,556,768) | 125,231 | (1,114,008) |
| RESTRICTED FIXED ASSET FUNDS | | | | | |
| Capital expenditure from GAG and Other Income | 12,058 | - | (5,785) | 70,477 | 76,750 |
| Assets transferred on conversion | 9,800,680 | - | (377,708) | - | 9,422,972 |
| | 9,812,738 | - | (383,493) | 70,477 | 9,499,722 |
| TOTAL RESTRICTED FUNDS | 8,389,436 | 10,740,831 | (10,940,261) | 195,708 | 8,385,714 |
| UNRESTRICTED FUNDS | | | | | |
| Unrestricted funds | 590,479 | 825,584 | (812,095) | (62,708) | 541,260 |
| TOTAL UNRESTRICTED FUNDS | 590,479 | 825,584 | (812,095) | (62,708) | 541,260 |
| TOTAL FUNDS | 8,979,915 | 11,566,415 | (11,752,356) | 133,000 | 8,926,974 |

The specific purposes for which the funds are to be applied are as follows:
Restricted general funds have been spent in line with the terms of the Master Funding Agreement.
Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The Bishop Wheeler Catholic Academy Trust.

The restricted pension fund is in deficit to the value of £1,357,000 as at 31 August 2014, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion to Academy status. The governors will continue to monitor this situation closely.

The transfers between funds of £70,477 relate to assets that have been purchased using GAG income and Unrestricted income that have been capitalised under the fixed asset policy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

14 FUNDS *(continued)*

The funds attributable to each academy within the Academy Trust as at 31 August 2014 are as follows:

| | Total £ |
|---|---|
| Year ended 31 August 2014: | |
| St. Mary's Menston, a Catholic Voluntary Academy | 155,038 |
| St. Joseph's Catholic Primary School Otley, a Voluntary Academy | 164,398 |
| Ss Peter and Paul Catholic Primary School, a Voluntary Academy | 92,563 |
| Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy | 399,743 |
| St Mary's Horsforth Catholic Voluntary Academy | 108,808 |
| St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy | 111,738 |
| Trust | (248,036) |
| Total before fixed assets and pension reserve | 784,252 |
| Restricted fixed asset fund | 9,499,722 |
| Pension reserve | (1,357,000) |
| Total | 8,926,974 |

14 FUNDS *(continued)*

The deficit on the Trust funds represents costs paid centrally. During the period the academies within the Academy Trust spent the following on teaching and support staff, other support staff, educational supplies and other costs:

**Analysis of academies by cost**

| | Teaching & Support Staff £ | Other Support Staff £ | Educational Supplies £ | Other Costs (excluding depreciation) £ | Total £ |
|---|---|---|---|---|---|
| Trust | - | 58,568 | - | 101,199 | 159,767 |
| St Mary's Menston, a Catholic Voluntary | 4,352,482 | 882,781 | 91,089 | 1,390,311 | 6,716,663 |
| St Joseph's Catholic Primary School Pudsey, a Voluntary Academy | 648,963 | 234,840 | 22,891 | 240,448 | 1,147,142 |
| St Mary's Horsforth Catholic Voluntary Academy | 524,196 | 85,898 | 26,860 | 207,317 | 844,271 |
| Ss Peter and Paul Catholic Primary School, a Voluntary Academy | 520,559 | 98,454 | 23,116 | 191,681 | 833,810 |
| St Joseph's Catholic Primary School Otley, a Voluntary Academy | 561,656 | 104,224 | 15,884 | 177,919 | 859,683 |
| Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy | 512,963 | 89,117 | 15,257 | 190,190 | 807,527 |
| | 7,120,819 | 1,553,882 | 195,097 | 2,499,065 | 11,368,863 |
| Total | | | | | 11,368,863 |

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2014 £ | Total Funds 2013 £ |
|---|---|---|---|---|---|
| Tangible fixed assets | - | - | 9,499,722 | 9,499,722 | 9,812,738 |
| Current assets | 541,260 | 608,470 | - | 1,149,730 | 981,257 |
| Current liabilities | - | (365,478) | - | (365,478) | (322,080) |
| Pension scheme liability | - | (1,357,000) | - | (1,357,000) | (1,492,000) |
| | 541,260 | (1,114,008) | 9,499,722 | 8,926,974 | 8,979,915 |

16 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Other: | | |
| Expiring within one year | 1,445 | - |
| Expiring within one to two years | 28,433 | - |
| Expiring within two and five years | 37,977 | 50,857 |

17 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTVITIES

| | Year ended 31 August 2014 | Period ended 31 August 2013 |
|---|---|---|
| | £ | £ |
| Net (expenditure)/income | (185,941) | 9,300,915 |
| Assets transferred on conversion | - | (10,704,687) |
| Pension liability transferred on conversion | - | 1,153,000 |
| Depreciation (note 11) | 383,493 | 181,446 |
| FRS 17 pension cost less contributions payable (note 23) | 20,000 | 8,000 |
| FRS 17 pension finance costs (note 23) | (22,000) | 10,000 |
| Decrease/(Increase) in debtors | 85,375 | (284,886) |
| Increase in creditors | 43,398 | 322,080 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 324,325 | (14,132) |

18 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

| | Year ended 31 August 2014 | Period ended 31 August 2013 |
|---|---|---|
| | £ | £ |
| Purchase of tangible fixed assets | 70,477 | 12,584 |
| NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 70,477 | 12,584 |

## 19 CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST

| | Year ended 31 August 2014 £ | Period ended 31 August 2013 £ |
|---|---|---|
| Cash balance transferred on conversion | - | 723,087 |

## 20 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 September 2013 £ | Cashflows £ | At 31 August 2014 £ |
|---|---|---|---|
| Cash at bank and in hand | 696,371 | 253,848 | 950,219 |
| | 696,371 | 253,848 | 950,219 |

## 21 CONVERSION TO AN ACADEMY TRUST

In the prior period, St Mary's Catholic Comprehensive School Menston, St Joseph's Catholic Primary School Pudsey, St Mary's Catholic Primary School Horsforth, and St Joseph's Catholic Primary School Otley, Ss Peter and Paul Catholic Primary School Yeadon, and The Sacred Heart Catholic Primary School converted to academy trust status under the Academies Act 2010. All the operations and some of the assets and liabilities were transferred to The Bishop Wheeler Catholic Academy Trust (a company limited by guarantee) from the Leeds Local Authority for £nil consideration. The buildings were also transferred to the Academy Trust from the Diocese of Leeds.

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

22 MEMBERS' LIABILITY

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

23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. 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 was 31 March 2012 and of the LGPS 31 March 2010.

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

**Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), 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' Pensions Scheme
Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is 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 investigation, 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.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Employer and employee contribution rates
As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the period amounted to £654,922 (2013: £309,230)

Under the definitions set out in Financial Standards (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 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 and the implications for the Academy Trust in terms of the anticipated rates.

23 PENSION AND SIMILAR OBLIGATIONS *(continued)*

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £550,000 (2013: £233,000), of which employer's contributions totalled £421,000 and employees' contribution totalled £129,000. The agreed rates for future periods are 12.8% for employers and 5.5% - 6.8% for employees.

**Principal actuarial assumptions (% per annum)**

| | 2014 | 2013 |
|---|---|---|
| Rate of increase in salaries | 3.6 | 4.7 |
| Rate of increase for pensions in payment | 2.1 | 2.8 |
| Rate of increase for deferred pensions | 2.1 | 2.8 |
| Discount rate | 3.7 | 4.5 |
| Inflation (CPI) | 2.1 | 2.8 |
| Inflation (RPI) | 3.1 | 3.7 |

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

| | 2014 | 2013 |
|---|---|---|
| Retiring today: | | |
| Males | 22.5 | 22.1 |
| Females | 25.4 | 24.3 |
| Retiring in 20 years: | | |
| Males | 24.7 | 23.9 |
| Females | 27.7 | 26.2 |

23 PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Expected return at 2014 (% pa) | Fair value at 2014 £'000 | Expected return at 2013 (% pa) | Fair value at 2013 £'000 |
|---|---|---|---|---|
| Equities | 7.5 | 3,495.00 | 7.9 | 2,759.40 |
| Property | 6.8 | 139.80 | 7.4 | 113.40 |
| Government bonds | 2.9 | 466.00 | 3.4 | 430.92 |
| Corporate bonds | 3.3 | 233.00 | 4.1 | 215.46 |
| Cash | 1.1 | 186.40 | 0.9 | 143.64 |
| Other | 7.5 | 139.80 | 7.9 | 117.18 |
| TOTAL MARKET VALUE OF ASSETS | | 4,660.00 | | 3,780.00 |
| Present value of scheme liabilities | | | | |
| - Funded | | (6,017) | | (5,272) |
| DEFICIT IN THE SCHEME | | (1,357) | | (1,492) |

The Bishop Wheeler Catholic Academy Trust Academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 August 2014.

The actual return on scheme assets was £391,000 (2013: £70,000)

| **Amounts recognised in the statement of financial activities** | Year ended 31 August 2014 £'000 | Period ended 31 August 2013 £'000 |
|---|---|---|
| Current service cost (net of employee contributions) | 441 | 203 |
| Total operating charge | 441 | 203 |
| **Analysis of pension finance costs** | | |
| Expected return on pension scheme assets | (271) | (116) |
| Interest on pension liabilities | 249 | 106 |
| Pension finance costs | (22) | (10) |

23 PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current period are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £133,000 (2013: £(321,000))

| **Movements in the present value of defined benefit obligations were as follows:** | Year ended 31 August 2014 £'000 | Period ended 31 August 2013 £'000 |
|---|---|---|
| At start of period/On conversion | 5,272 | 4,715 |
| Current service cost | 441 | 203 |
| Interest cost | 249 | 106 |
| Employee contributions | 129 | 58 |
| Actuarial loss | (13) | 275 |
| Benefits paid | (61) | (85) |
| At 31 August | 6,017 | 5,272 |
| **Movements in the fair value of Academy Trust's share of scheme assets:** | | |
| At start of period/On conversion | 3,780 | 3,562 |
| Expected return on assets | 271 | 116 |
| Actuarial gain/(loss) | 120 | (46) |
| Employer contributions | 421 | 175 |
| Employee contributions | 129 | 58 |
| Benefits paid | (61) | (85) |
| At 31 August | 4,660 | 3,780 |

The estimated value of employer contributions for the period ended 31 August 2014 is £337,000 (2013: £265,000).

**Movement in deficit during period**

| | | |
|---|---|---|
| At start of period/On conversion | (1,492) | (1,153) |
| Employer service charge | (20) | (28) |
| Employee contributions | - | - |
| Net interest | 22 | 10 |
| Actuarial loss | 133 | (321) |
| At 31 August | (1,357) | (1,492) |

23 PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

**The available five-period history of experience adjustments is as follows:**

| | 31 August 2014 £'000 | 31 August 2013 £'000 |
|---|---|---|
| Present value of defined benefit obligations | (6,017) | (5,272) |
| Fair value of share of scheme assets | 4,660 | 3,780 |
| Deficit in the scheme | (1,357) | (1,492) |
| Experience adjustments on share of scheme assets | 120 | (46) |
| Percentage of assets | 2.6% | -1.2% |
| Experience adjustments on scheme liabilities: | (136) | - |
| Percentage of assets | -2.3% | - |

24 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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.

Mr K Bentham is an Academy parent director and also managing director of Dataphiles. There were purchases of £961 (2013: £nil) from Dataphiles during the year and £nil (2013: £nil) was included in creditors at 31 August 2014.

The Diocese of Leeds was repaid £3,000 (2013: £3,000) during the period for repayment of past capital loans. There were purchases of £34,894 from The Diocese of Leeds during the year, at the 31 August 2014 £8,470 (2013 £nil) was included in debtors and £nil (2013 £nil) was included in creditors. The Diocese of Leeds has the right to appoint a member or Trustee of the Academy Trust under the Articles of Association. The purchases made relate to education support and property services.

25 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners,16-19 Bursary Funds, on behalf of the EFA. In the year it received £11,803 and disbursed £6,800, with therefore an amount of £5,003 repayable by the Academy Trust at the 31 August 2014 included in other creditors.