



## **REGISTRAR OF COMPANIES**

### **St Mark's Church of England Academy Trust**

#### **Report and Financial Statements**

**Period to 1 November 2014**

Company Limited by Guarantee  
Registration Number 05875416  
(England and Wales)

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## Reference and administrative information

<b>Members</b>	CFBT Education Trust Southwark Diocesan Board of Education
<b>Trustees and Governing Body</b>	Geraldine Hutchinson (Chair) Joabe Cavalcanti (Vice Chair) Afua Boaten Stieve Butler Richard Hughes Mike Lavin Ankhara Lloyd-Hunte Ruby Millington Lisa Peterkin Wyndham Plumptree Paul Robinson Bev Selway Simon Surtees
<b>Secretary</b>	Clive Adderley
<b>Principal</b>	Lisa Peterkin
<b>Clerk to the Trustees and Company Secretary</b>	Jonathan Matthews
<b>Registered office</b>	60 Queens Road Reading Berkshire RG1 4BS
<b>Company registration number</b>	05875416 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc Croydon Branch George Street PO Box 1000 BX1 1LT

## **Reference and administrative information**

<b>Solicitor</b>	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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## **Trustees' report (including a strategic report) Period ended 1 November 2014**

The trustees of St Mark's Church of England Academy Trust ('the Academy'), who are also directors of the Academy for the purposes of the Companies Act, present their statutory report and the audited financial statements for the period ended 1 November 2014.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 28 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

On 1 November 2014, the CfBT Schools Trust took over the operations of the Academy.

Following this take over, the Academy's educational activities continued to operate as normal within CFBT Schools Trust. The charitable company will be dissolved during 2015.

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

#### **Constitution and principal activities**

The Academy is a charitable company limited by guarantee which was incorporated on 13 July 2006. The principal regulator of the Academy is the Department for Education (DfE). The Education Funding Agency (EFA) carries out the role of principal regulator on behalf of the DfE.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy and they reflect the governance scheme required by the DfE.

During the period under review, the members of the Academy Trust were CfBT Education Trust and the Southwark Diocesan Board of Education. The members of the charitable company undertake 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.

Under the Academy's Articles of Association, CfBT Education Trust is permitted to appoint the majority of the trustees.

The principal activity of the Academy is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad curriculum with a strong emphasis on, but in no way limited to, Science and Performing Arts to be conducted in accordance with the principles and practices of the Church of England, while respecting and recognising other faiths.

#### **Legal status and members' liability**

The Academy is a company limited by guarantee, without share capital and an exempt charity.

Details of the limitation of the liabilities of members are given above.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Governors indemnities**

There are no qualifying third party indemnity provisions to declare. Trustees' indemnity insurance (including professional liability) provides cover up to £250,000 and details are given in note 9 to the financial statements.

### **Trustees and organisational structure**

The Board of Trustees – the Governing Body – meets four times a year to determine the Academy's strategy and policies and to review performance, delegating specific responsibility to its committees. It exercises its powers and functions with a view to fulfilling its strategic leadership role in the running of the Academy and considers advice given by the Principal, addressing such matters as:

- ◆ policy development and strategic development;
- ◆ ensuring sound management and administration of the Academy;
- ◆ ensuring compliance with legal requirements;
- ◆ establishing and maintaining effective internal controls;
- ◆ overseeing the management of all resources;
- ◆ the monitoring of performance;
- ◆ helping the Academy to be responsive to the needs of parents, carers and the community;
- ◆ setting the Academy's standards of conduct and values; and
- ◆ assessing and managing risk.

There are two committees of the Board which report to the Board on their meetings and activities:

- ◆ The **Standards Committee** meets four times a year to oversee and monitor the educational standards of the Academy.
- ◆ The **Resources Committee** meets four times a year to oversee and monitor the non-educational activity of the Academy. The Pay Committee is a sub-committee of the Resources Committee and meets at least once a year to oversee staff benefits and the performance management of staff.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Trustees and organisational structure** (continued)

The following trustees were in office throughout the period to the date these financial statements were approved, except where shown.

<b>Trustee</b>	<b>Status</b>	<b>Committees</b>
Geraldine Hutchinson	Trustee (Chair)	S, R
Afua Boaten	Trustee	S, P
Stieve Butler	Trustee	R
Joabe Cavalcanti	Trustee	S
Richard Hughes	Trustee	S, P
Mike Lavin	Trustee	R, P
Ankhara Lloyd-Hunte	Trustee	
Ruby Millington	Trustee	S, R, P
Lisa Peterkin	Trustee	R, S
Wyndham Plumptree	Trustee	
Paul Robinson	Trustee	
Bev Selway	Trustee	
Simon Surtees	Trustee	S
Committees: S – Standards Committee R – Resources Committee P – Pay Committee		

No trustee received any remuneration in respect of their duties as a trustee from the Academy during the period (year to 31 August 2014 – none).

### **Executive**

The executive – Senior Leadership Team – is responsible for the operational management of the Academy and, through the Principal, reports to the Board directly or via one of its committees. During the period ended 1 November 2014, the Senior Leadership Team consisted of:

Lisa Peterkin (Principal and Accounting Officer)  
 Dan Cundy (Senior Vice Principal)  
 Hannah Fahey (Vice Principal)  
 Jonathan Harris (Vice Principal)  
 Dionne Jude (Vice Principal)  
 Mark Morren (Vice Principal)  
 Andrew Ross (Business Director)

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

The organisations with which the trust is connected are:

- ◆ The Southwark Diocesan Board of Education
- ◆ CfBT Education Trust

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Connected organisations, including related party relationships (continued)**

These relationships are enshrined in the Company's Articles of Association which identifies the organisations as founding sponsors.

## **OBJECTIVES AND ACTIVITIES**

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

The sole activity of the company is the operation of St Mark's Church of England Academy to provide education for all pupils between the ages of 11 and 18. The main objectives of the Academy are summarised below:

- ◆ to raise the standard of educational achievement of all pupils;
- ◆ to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- ◆ to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- ◆ to provide value for money for the funds expended;
- ◆ to comply with all appropriate statutory and curriculum requirements;
- ◆ to maintain close links with industry and commerce;
- ◆ to conduct business in accordance with the highest standards of integrity, probity and openness.

At St Mark's Church of England Academy we respect and celebrate the God given uniqueness of each member of our Community.

The Academy empowers all learners to realise their potential and to enjoy success within a safe and supportive, yet challenging environment, and inspires our Community to become responsible and active citizens, offering a positive contribution to our local, national and global society.

The Academy is independently governed but state-funded and free for students. The admissions policy is totally inclusive, and based on a combination of "Open Places" for the local community, "Foundation Places" (for practising Christians) and "Governors' Places" (for other faith communities).



## **STRATEGIC REPORT**

### **Objectives and achievements:**

The Academy aims to empower all learners to realise their potential and enjoy success within an environment which challenges and supports. We aim to inspire all learners to become active and responsible citizens, offering a positive contribution to the communities they belong to.

The Academy is independently governed but state funded and free for students. The admissions policy is unchanged and fully inclusive. It offers a combination of places: Open places are for the local community; Foundation places are for practicing Christians and Governor's Places are for other faith communities.

### **Public benefit**

In setting the academy's objectives and planning its activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

### **Equal opportunities:**

The Academy is committed to the principle of equal opportunities and seeks to ensure that the working environment values the needs of all employees and students.

It is the policy of the Academy to support the recruitment and retention of employees and students with disabilities by making resources available and through training and career development opportunities.

### **Achievement and progress:**

#### **Summer 2014 results:**

In 2014, 50.3% of students achieved 5+ A\*-C grades including English and Mathematics. This was a 2.3% decrease on the previous academic year, compared with a 6.6% national decrease. Summer 2014 results saw the Academy close the gap with national averages. Academic attainment in this measure has seen a 16.3% increase over a four year period.

In the 5 A-C measure the Academy has maintained a broadly similar picture to national figures which saw an 18.8% decrease in the measure. The Academy in 2013 had been 1.7% above national in this measure.

Results for disadvantaged students in the 5A\*-C measure were 4.1% above that for non pupil premium students in summer 2014. Support is also provided for those students who are LAC and SEN in terms of group support and additional resources.

The Academy moved away from multiple entry in Mathematics and English and has focused on individual initiatives as a way to better support our students, this was in line with government guidance.

## STRATEGIC REPORT (continued)

### Achievement and progress: (continued)

#### Autumn Term 2014-15:

Internal data tracking indicates that attainment in Summer 2015 should reach national average for the first time. The Academy in the Autumn term has shown that it works well to support 'disadvantaged students' as the A\*-C measure for attaining 5 good GCSE grades was 17% above national attainment for 2014-15; the data has however shown that English and Mathematics remain below average for this group who fall 0.4% below national average. The Academy has begun a programme of 'Saturday School' tuition for those 'disadvantaged' students who are currently failing to meet expected progress in English and Mathematics. Spring data should show that this 0.4% gap should close with intervention.

Levels of progress in English are close to national benchmarks for three levels of progress in English and exceed benchmarks for four levels of progress. Mathematics remains a key area of focus for the Academy, which has appointed a 'Director of Mathematics' in September 2014 in order to sharpen the focus on progress within the department to meet national benchmarks.

	5/5+ A-C(E/M)	5/5+ A-C	Cohort P8 Cohort % P8 Coverage			Progress 8	Attainment 8 Average Grade	
All	43.8%	62.1%	153	121	79.1%	0.18	D+	4.38
Male	44.3%	56.8%	88	68	77.3%	0.10	D+	4.25
Female	43.1%	69.2%	65	53	81.5%	0.27	C-	4.54
KS2 Band								
Upper	94.1%	94.1%	17			-0.21	B	6.02
Middle	56.4%	84.6%	39			0.02	C	4.96
Lower	23.1%	43.1%	65			0.37	D-	3.60
No KS2	43.8%	56.3%	32			{n/a}	D+	4.25
Disadvantaged pupils								
Disadvantaged	47.9%	66.0%	59	55	93.2%	-0.05	D	4.06
Other pupils	37.3%	55.9%	94	66	70.2%	0.37	C-	4.64
English as an additional language								
EAL Yes	40.7%	57.4%	54	30	55.6%	0.66	D	4.14
EAL No	45.5%	64.6%	99	91	91.9%	0.02	D+	4.45

Progress measures for students in the Autumn term is 0.68 or 2/3rds of a level above national benchmarks, however attainment is 1/3rd of a grade below benchmarks. Progress however is the key measure which indicates that from a lower starting point, pupils have made good progress at the Academy. A model of identifying key pupils who are underperforming, sharing the data with staff and inputting intervention at six separate points in the academic year is in place. The Academy is currently remodelling the curriculum in order to meet the needs of the new Progress and Attainment 8 measures and is providing a guided 'Options' process in order to provide strong progression routes for students by ensuring that all pupils study subjects that meet the measure.

## STRATEGIC REPORT (continued)

### Financial review

Total income for the period was £0.95m (year ended 31 August 2014 - £6.21m) and expenditure amounted to £1.50m (year ended 31 August 2014 - £6.85m). The deficit for the period was £628,000 (year ended 31 August 2014 - £819,000 deficit).

The total funds held at the period end prior to the transfer of assets and liabilities to CfBT Schools Trust (excluding the tangible fixed assets fund) included:

	As at 1 November 2014 £'000	As at 31 August 2014 £'000
Funds carried forward from revenue grants		
. EFA revenue grants held	414	818
. Less: LG Pension Fund liability	(1,055)	(970)
	(641)	(152)
. Other – LEA grants held	59	63
<b>Restricted funds (excluding fixed assets)</b>	<b>(582)</b>	<b>(89)</b>
<b>Unrestricted funds</b>	<b>514</b>	<b>489</b>

Restricted funds, excluding fixed assets, and unrestricted funds, are carried forward for future use. Offset against these funds is the Academy's share of the deficit on the London Borough of Merton's Pension Scheme totalling £1,055,000 (year ended 31 August 2014 - £970,000). The deficit is calculated by the Scheme's actuary each year, taking account of the current value of the Academy's share of the Scheme's assets less the estimated value of the Scheme's liabilities for paying pensions (see note 20).

At 1 November 2014, the value of the fixed assets fund transferred to CfBT Schools Trust was £8,700,000, £160,000 lower than at 31 August 2014, due to the charging of depreciation in the period.

Of the total income for the period, £870,000 (year ended 31 August 2014 - £5,918,000) was received from the EFA as grant income and £54,000 (year ended 31 August 2014 - £101,000) was received from local authorities and other grant providers. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The grant received from the EFA was a combination of the General Annual Grant of £791,000 (year ended 31 August 2014 - £5,535,000), pupil premium of £61,000 (year ended 31 August 2014 - £324,000) and DfE capital grants of £18,000 (year ended 31 August 2014 - £22,000).

## **STRATEGIC REPORT (continued)**

### **Financial review (continued)**

Almost all expenditure relates to the Academy's educational activities, with a small amount, representing 0.7% of total expenditure, identified as governance for the cost of audit and Responsible Officer visits. 40% of expenditure was for teaching and educational support staff, with a further 7% for other staff. 15% of costs are classified as being direct educational costs. The remaining 37% of costs covers maintenance, cleaning, catering, and insurance and all other occupancy costs and depreciation.

At 1 November 2014 the net book value of fixed assets transferred to CfBT was £8,700,000 (year ended 31 August 2014 - £8,860,000) and movements in tangible fixed assets are shown in note 11 to the financial statements. Capital grants for fixed assets are shown in the statement of financial activities as restricted income in the fixed asset fund. This is in accordance with EFA guidance. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The value of the freehold buildings shown as transferred to CfBT Schools Trust in the accounts is £8,324,000 (year ended 31 August 2014 – £8,462,000). The land is leased from London Borough of Merton for a peppercorn rent and, due to the educational restrictions on the land, is not valued in the financial statements.

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

The Academy receives its primary funding in monthly instalments from the EFA. Therefore, its cash flow risk is minimal. Any funds not immediately required for working capital are held on short-term deposit, to generate additional income. As such, the trustees consider the Academy's liquidity risk to be minimal. The Academy does not use complex debt instruments, hence its exposure to credit risk is also considered low by the trustees.

### ***Risk management***

The trustees are responsible for the management of risks faced by the Academy. Detailed consideration of the risk register is delegated to the Resources Committee assisted by the Principal. Each risk is assessed as to how likely it is to occur and how big an impact it will have on the Academy, taking into account all controls in place. Each risk is then categorised as green, amber or red depending on its assessed score and progress to manage 'red' risks is reported to the trustees.

The Academy has a number of operational policies which limit risks, such as staff vetting procedures and key financial controls. The management structure and accountability arrangements and the Committee structures are seen as key areas of control and risk management. The Academy also has comprehensive insurance policies.

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

The principal risk and uncertainty faced by the Academy in the medium term (over the next two to five years) relates to fluctuating and declining pupil numbers as grant funding from the EFA is based on the number of pupils on roll. The Academy now has a strategic plan that should bring about sustainable improvement in pupil numbers over the coming years.

## **STRATEGIC REPORT (continued)**

### **Financial review (continued)**

#### ***Principal risks and uncertainties*** (continued)

CfBT Schools Trust will lead on strategic planning for the Academy following the transfer of activities on 1 November 2014.

#### ***Equal opportunities***

The Academy is committed to the principle of equal opportunities and seeks to ensure the working environment values the needs of all employees and students.

It is the policy of the Academy to support the recruitment and retention of employees and students with disabilities by making resources available and through training and career development.

#### ***Reserves***

The trustees have carried out an initial review of the Academy's reserves and will further review reserves in the light of the current year's financial performance and future plans.

However, as the majority of income is received from the EFA and the local authorities, with restrictions on the amount that can be carried forward, it is not possible to build up reserves. Included in the restricted EFA reserve is a pension deficit of £1.055m. This is based on an actuarial valuation completed in accordance with Financial Reporting Standard 17 (FRS 17) and represents the Academy's share of the deficit on the London Borough of Merton's Pension Scheme. It is an accounting adjustment for future liabilities that are not expected to crystallise. Any cash flows as a result of the deficit will occur over a number of years. Accordingly, the Academy does not propose to hold cash for these reserves.

#### ***Investment policy***

The Academy's investment policy puts any significant amounts of cash balances not required immediately on fixed term deposit, for between six and twelve months, with a major UK bank.

#### ***Plans for future periods***

On 1 November 2014, the activities, assets and liabilities of St Mark's Church of England Academy Trust were transferred to CfBT Schools Trust, a multi-academy trust. The future direction of the Academy will be determined by CfBT Schools Trust together with the management team and governing body of the Academy.

**Trustees' report (including a strategic report) Period ended 1 November 2014**

**AUDITOR**

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees and signed on its behalf by:

Trustee

 (S. CAVALCANTI)

Approved by the trustees on: 14.07.2015

**Scope of responsibility**

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

**Governance**

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The trustees have formally met twice during the period. Attendance during the year at trustee meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Afua Boaten	2	2
Stieve Butler	0	2
Joabe Cavalcanti	2	2
Richard Hughes	2	2
Geraldine Hutchinson	0	2
Mike Lavin	2	2
Ankhara Lloyd-Hunte	1	2
Ruby Millington	2	2
Lisa Peterkin (Dan Cundy attending in Lisa's place)	1	2
Wyndham Plumptree	0	2
Paul Robinson	1	2
Bev Selway	0	2
Simon Surtees	1	2

**Governance reviews**

CfBT Schools Trust took over the operations of St Mark's Academy with effect from 1 November 2014 and as part of this transition it was agreed that a review of the arrangements of the local governing body of St Mark's Academy would be undertaken. This was a specific piece of work which linked closely to a broader review of governance of the Trust. A private consultant, Joe Dilger, was engaged to carry out the review of St Mark's Academy whilst another consultant, Neil Watkins, conducted the review of the Trust as a whole.

**Governance** (continued)

**Governance reviews** (continued)

Conclusions from both reviews were very similar. The scheme of delegation needed to be reviewed so that the local governing body was clear about its responsibilities. The focus for the local governing body should be on educational outcomes as the officers of the trust would focus on finance, HR and property. The local governing body should be small, somewhere between seven and ten members, and should be based on the skills needed rather than representation of different groups. Parents, pupils and staff would be represented in other ways through forums that would feed into the local governing body.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide strategic input in the use of resources within the Academy and to monitor performance against plans and outcomes. Specifically it reviews performance against the revenue and capital budgets, reviewing the inclusion of new capital projects.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Stieve Butler	1	1
Geraldine Hutchinson	0	1
Mike Lavin	0	1
Ruby Millington	0	1
Lisa Peterkin (Dan Cundy attended in Lisa's place)	1	1
Wyndham Plumptree	1	1

The Standards Committee is another sub-committee of the main Board of Trustees. Its purpose is to oversee all matters related to education at the Academy.

Specifically it reviews academic performance of students, standards of teaching and learning across the Academy, attendance, admissions, discipline, policies, behaviour, exclusion, training for trustees, oversight and review of the school improvement strategy (including the school evaluation plan and the school improvement plan) and career advice to be provided to students.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Afua Boaten	1	1
Joabe Cavalcanti	1	1
Richard Hughes	1	1
Geraldine Hutchinson	0	1
Lisa Peterkin (Dan Cundy attended in Lisa's place)	1	1
Bev Selway	1	1
Simon Surtees	1	1



**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 the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the period ended 1 November 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The trustees have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 1 November 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

**The risk and control framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees;
- ◆ regular reviews by the Resources 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; and
- ◆ identification and management of risks.

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed the Internal Audit Service of the sponsor (CfBT Education Trust) as a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the trustees on the operation of the systems of control and on the discharge of the trustees and their financial responsibilities. The findings from the RO's work did not result in any material recommendations being made during the period.


**Review of effectiveness**

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

- ♦ the work of the Responsible Officer;
- ♦ the work of the external auditor;
- ♦ the financial management and governance self-assessment process;
- ♦ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the trustees and signed on their behalf by:

  
Trustee (S CAVALCANTI)

  
Lisa Peterkin  
(Principal and Accounting Officer)

Approved on: 14.07.2015

**Statement on regularity, propriety and compliance 1 November 2014**

As Accounting Officer of St Mark's Church of England Academy Trust, I have considered my responsibility to notify the Academy Trust's trustees, and the Education Funding Agency (EFA) 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's 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 Academy Trust's trustees and EFA.



Lisa Peterkin  
Principal and Accounting Officer

Date:

14/7/15

## Statement of trustees' responsibilities 1 November 2014

The trustees (who act as governors of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Academy 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:

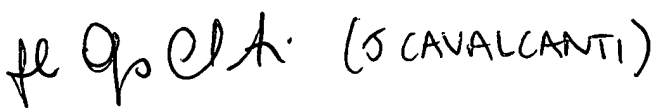
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting 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 Academy will continue in operation.

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

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

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

Approved by order of the trustees and signed on their behalf by:

Trustee  (J CAVALCANTI)  
Date: 14.07.2015

**Independent auditor's report on the financial statements to the members of St Mark's Church of England Academy Trust**

We have audited the financial statements of St Mark's Church of England Academy Trust for the period ended 1 November 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 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 trustees and auditor**

The trustees act as governors of St Mark's Church of England Academy Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report including the strategic report, the trustees 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion**

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 1 November 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

In our opinion the information given in the trustees' report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Katharine Patel, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL



**Independent reporting accountant's assurance report on regularity to St Mark's Church of England Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 28 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mark's Church of England Academy Trust during the period from 1 September 2014 to 1 November 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mark's Church of England 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 the St Mark's Church of England 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 the St Mark's Church of England Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Mark's Church of England Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of St Mark's Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2006 and the Academies Financial Handbook, extant from 1 September 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2014 to 1 November 2014 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 to 2014 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.

**Approach** (continued)

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.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2014 to 1 November 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

23 July 2015



**Statement of financial activities** Period ended 1 November 2014  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Restricted funds				Period ended 1 November 2014 Total funds £'000	Year ended 31 August 2014 Total funds £'000
	Notes	General fund £'000	EFA £'000	Other £'000	Fixed assets fund £'000		
<b>Incoming resources</b>							
Incoming resources from generated funds							
· Activities for generating funds	1	22	—	—	—	22	98
· Investment income	2	4	—	—	—	4	23
Incoming resources from charitable activities							
· Funding for the Academy's educational operations	3	—	852	54	18	924	6,093
<b>Total incoming resources</b>		26	852	54	18	950	6,214
<b>Resources expended</b>							
Cost of generating funds							
· Cost of generating voluntary income	4	1	—	—	—	1	2
Charitable activities							
· Academy's educational operations	5	—	1,274	58	160	1,492	6,825
Governance costs	6	—	11	—	—	11	21
<b>Total resources expended</b>	4	1	1,285	58	160	1,504	6,848
<b>Net incoming (outgoing) resources before transfers</b>		25	(433)	(4)	(142)	(554)	(634)
Transfers between funds	15	—	18	—	(18)	—	—
<b>Net income (expenditure)</b>		25	(415)	(4)	(160)	(554)	(634)
<b>Other recognised gains and losses</b>							
Actuarial loss on defined benefit pension scheme	21	—	(74)	—	—	(74)	(185)
		25	(489)	(4)	(160)	(628)	(819)
Balances transferred to CfBT Schools Trust	15	(514)	641	(59)	(8,700)	(8,632)	—
<b>Net movement in funds</b>		(489)	152	(63)	(8,860)	(9,260)	(819)
<b>Fund balances brought forward at 1 September 2014</b>		489	(152)	63	8,860	9,260	10,079
<b>Fund balances carried forward at 1 November 2014</b>	15	—	—	—	—	—	9,260

All of the Academy's activities were transferred to CfBT Schools Trust on 1 November 2014.

A statement of total recognised gains and losses is not required as all gains and losses are included in the above statement of financial activities.

**Balance sheet 1 November 2014**

	Notes	1 November 2014 £'000	1 November 2014 £'000	31 August 2014 £'000	31 August 2014 £'000
<b>Fixed assets</b>					
Tangible assets	11		—		8,860
<b>Current assets</b>					
Debtors	12	—		174	
Cash at bank and in hand		—		1,918	
				2,092	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	—		(722)	
<b>Net current assets</b>			—		1,370
Creditors: amounts falling due after more than one year	14		—		—
<b>Net assets excluding pension liability</b>			—		10,230
Pension scheme liability	20		—		(970)
<b>Net assets including pension liability</b>			—		9,260
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Restricted funds	15				
. EFA general funds			—		818
. Pension reserve			—		(970)
			—		(152)
. Fixed assets fund			—		8,860
. Other restricted funds			—		63
			—		8,771
Unrestricted funds	15				
. General fund			—		489
			—		9,260

The financial statements on pages 23 to 45 were approved by the trustees of St Mark's Church of England Academy Trust, Company Registration Number 05875416 (England and Wales), authorised for issue and are signed on their behalf by:

Trustee  
Date:

*fl Qp O A* (SCAVALCANTI)  
14.07.2015

# **Cash flow statement 1 November 2014**

	Notes	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
<b>Net cash (outflow) inflow from operating activities</b>	16	<b>(23)</b>	624
Returns on investment and servicing of finance	17	4	23
Capital expenditure	18	18	(100)
Transfer of cash to CfBT Schools Trust	24	(1,917)	—
<b>(Decrease) increase in cash in the period</b>	19	<b>(1,918)</b>	547
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		1,918	1,371
<b>Net funds at 1 November 2014</b>	19	<b>—</b>	<b>1,918</b>

**Basis of preparation**

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

**Going concern**

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

On 1 November 2014, CfBT Schools Trust took over the operations of the Academy. Following this take over, the Academy's educational activities continued to operate as normal within CfBT Schools Trust. The charitable company will be dissolved during 2015.

**Incoming resources**

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

*Grants receivable*

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.

The 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.

*Donations*

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

*Interest receivable*

Interest receivable is included within the statement of financial activities on an accruals basis.

**Resources expended and the basis of apportioning costs**

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.

### **Resources expended and the basis of apportioning costs (continued)**

#### *Charitable activities*

These are costs incurred on the Academy's educational operations.

#### *Governance costs*

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

Expenditure is stated net of recoverable VAT.

### **Tangible fixed assets**

Assets costing more than £1,000 and with an expected useful life exceeding one year 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 the private sector, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is charged on a straight-line basis beginning in the year in which the asset is brought into use at the following annual rates:

◆ Freehold buildings	6.7% - 10%
◆ Motor vehicles	20%
◆ Furniture and fittings	10% - 20%
◆ Equipment (including ICT)	20% - 33%

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.

### **Fund accounting**

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

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

**Fund accounting (continued)**

Restricted general funds comprise all other restricted funds and include grants from the Education Funding Agency, the local authority and other funders.

**Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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.

### 1 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Lettings income	14	—	14	49
Other income	8	—	8	49
	<u>22</u>	<u>—</u>	<u>22</u>	<u>98</u>

### 2 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Interest receivable	4	—	4	23

### 3 Funding for the Academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
<b>Capital grants</b>				
Academy main building grants	—	18	18	22
Sport England grant	—	—	—	74
	<u>—</u>	<u>18</u>	<u>18</u>	<u>96</u>
<b>DFE/EFA revenue grants</b>				
General Annual Grant (GAG)	—	791	791	5,535
Other DfE/EFA revenue grants	—	61	61	361
	<u>—</u>	<u>852</u>	<u>852</u>	<u>5,896</u>
<b>Other government grants</b>				
Special Educational Needs funding	—	54	54	101
	<u>—</u>	<u>54</u>	<u>54</u>	<u>101</u>
	<u>—</u>	<u>924</u>	<u>924</u>	<u>6,093</u>

#### 4 Resources expended

	Non pay expenditure			Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Cost of generating funds					
Costs of generating voluntary income	—	—	1	1	2
Academy's educational operations (note 5)					
Direct costs	601	160	71	832	5,296
Allocated support costs	99	98	463	660	1,529
	700	258	534	1,492	6,825
Governance costs (note 6)	—	—	11	11	21
	700	258	546	1,504	6,848

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Net incoming (outgoing) resources for the period are stated after charging:		
Fees payable to auditor:		
Audit current period	10	13
Audit prior year	1	3
Non-audit services	—	3
Depreciation	160	987
Operating lease charge	7	41



**5 Charitable activities - Academy's educational operations**

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
<b>Direct costs</b>		
Staff costs	601	3,775
Technology costs	14	50
Educational supplies	43	304
Exam fees	—	76
Staff development	6	29
Educational consultancy	—	12
Other direct costs	8	63
Depreciation	160	987
	<b>832</b>	<b>5,296</b>
<b>Educational support costs</b>		
Support staff costs	99	535
Technology costs	2	7
Maintenance and equipment	398	110
Rent and rates	—	42
Energy costs	26	140
Catering	8	85
Cleaning	16	140
Insurance	12	71
Bank interest and charges	1	1
FRS17 finance cost	—	9
Other supplies and services	98	389
	<b>660</b>	<b>1,529</b>
	<b>1,492</b>	<b>6,825</b>

**6 Governance costs**

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Auditors' remuneration		
· Audit current period	10	13
· Audit prior year	1	3
· Non-audit services	—	3
Responsible officer visits and company secretarial costs	—	2
	<b>11</b>	<b>21</b>

## 7 Staff costs

### (a) Staff costs

Staff costs during the period were:

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Wages and salaries	545	3,383
Social security costs	39	277
Pension contributions (including FRS17 charge of £11,000 (year to 31 August 2014: £78,000))	72	455
	<b>656</b>	<b>4,115</b>
Supply staff costs	19	186
Compensation payments	25	9
	<b>700</b>	<b>4,310</b>

### (b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the period expressed as a full time equivalents was as follows:

	Period ended 1 November 2014	Year ended 31 August 2014
<b>Charitable activities</b>		
Teachers	49	53
Educational support	21	28
Management	8	7
Administration and other staff	15	22
	<b>93</b>	<b>110</b>

### (c) Higher paid staff

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

	Period ended 1 November 2014	Year ended 31 August 2014
£60,001 - £70,000	5	4
£70,001 - £80,000	—	1
£90,001 - £100,000	1	—

## 7 Staff costs (continued)

### (c) Higher paid staff (continued)

Four out of five of the above employees participated in the Teachers' Pension Scheme. During the period ended 1 November 2014, pension contributions for these staff amounted to £8,509 (year ended 31 August 2014 - £38,669). The other member of staff participated in the Local Government Pension Scheme (LGPS). Contributions for this staff member amounted to £1,462.

## 8 Trustees' remuneration and expenses

The Principal and staff governors (trustees) only receive remuneration in respect of services they provide in undertaking their role as employees of the Academy and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy in respect of their role as trustees.

The value of trustees' remuneration was as follows:

	Period ended 1 November 2014 £	Year ended 31 August 2014 £
Lisa Peterkin, Principal and trustee	90-100,000	75-80,000

During the period ended 1 November 2014, no travel and subsistence expenses were reimbursed to trustees (year ended 31 August 2014 – none).

Other related party transactions involving the trustees are set out in note 22.

## 9 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy had purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £250,000 on any one claim and the cost for the period ended 1 November 2014 was £168 (year ended 31 August 2014 - £628).

## 10 Taxation

The Academy, as a charitable company is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 11 Tangible fixed assets

	Freehold buildings £'000	Furniture fittings & equipment £'000	Computer equipment & software £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>					
At 1 September 2014	12,055	921	537	28	<b>13,541</b>
Additions	—	—	—	—	—
At 1 November 2014	<u>12,055</u>	<u>921</u>	<u>537</u>	<u>28</u>	<u><b>13,541</b></u>
<b>Depreciation</b>					
At 1 September 2014	3,593	553	507	28	<b>4,681</b>
Charge for period	138	15	7	—	<b>160</b>
At 1 November 2014	<u>3,731</u>	<u>568</u>	<u>514</u>	<u>28</u>	<u><b>4,841</b></u>
Net book values at 1 November 2014 before transfer	8,324	353	23	—	<b>8,700</b>
Transferred to CfBT Schools Trust (note 24)	<u>(8,324)</u>	<u>(353)</u>	<u>(23)</u>	<u>—</u>	<u><b>(8,700)</b></u>
<b>Net book value at 1 November 2014</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u><b>—</b></u>
Net book value at 31 August 2014	<u>8,462</u>	<u>368</u>	<u>30</u>	<u>—</u>	<u><b>8,860</b></u>

The land on which the Academy is sited is leased from The Manor and Burgesses of the London Borough of Merton at a peppercorn rent over a term of 999 years from 4 September 2006. No value has been placed on this land in the financial statements due to the restrictive covenants on the asset.

## 12 Debtors

	1 November 2014 £'000	31 August 2014 £'000
Trade debtors	8	19
Accrued income	42	64
Prepayments	23	37
Other debtors	39	—
VAT recoverable	<u>67</u>	<u>54</u>
	<b>179</b>	<b>174</b>
Transferred to CFBT Schools Trust (note 24)	<u>(179)</u>	<u>—</u>
	<u><b>—</b></u>	<u><b>174</b></u>

**13 Creditors: amounts falling due within one year**

	1 November 2014 £'000	31 August 2014 £'000
Trade creditors	310	307
Taxation and social security	80	83
Accruals and deferred income	269	280
Other creditors	143	52
	802	722
Transferred to CfBT Schools Trust (note 24)	(802)	—
	—	722

	1 November 2014 £'000	31 August 2014 £'000
<b>Deferred income</b>		
Deferred income at 1 September 2014	21	18
Resources deferred in the period	—	21
Amounts released from previous years	(21)	(18)
Deferred income at 1 November 2014	—	21

**14 Creditors: amounts falling due in more than one year**

	1 November 2014 £'000	31 August 2014 £'000
Other creditors	307	—
Transferred to CfBT Schools Trust (note 24)	(307)	—
	—	—

Other creditors at 1 November 2014 included an amount of £383,000 repayable to the EFA. An agreement has been made to repay the balance over five years as follows:

	£'000
Repayable within one year	66
Repayable in more than one year	307
	383

## 15 Funds

The income funds of the Academy comprise the following:

	At 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains losses and transfers £'000	Total £'000	Balances transferred to CfBT Schools Trust £'000	At 1 November 2014 £'000
<b>Restricted funds</b>							
<b><i>EFA restricted general funds</i></b>							
EFA Grants							
General Annual Grant	723	791	(1,149)	18	383	(383)	—
Start up funds	5	—	(5)	—	—	—	—
Other DfE/ EFA grants	90	61	(120)	—	31	(31)	—
Pension reserve	(970)	—	(11)	(74)	(1,055)	1,055	—
	(152)	852	(1,285)	(74)	(641)	641	—
<b>Other restricted funds</b>							
LEA	63	54	(58)	—	59	(59)	—
	63	54	(58)	—	59	(59)	—
<b>Fixed assets funds</b>							
Inherited funds	3,260	—	(251)	—	3,009	(3,009)	—
EFA capital grant	5,531	18	160	(18)	5,691	(5,691)	—
Other	69	—	(69)	—	—	—	—
	8,860	18	(160)	(74)	8,700	(8,700)	—
<b>Total restricted funds</b>	<b>8,771</b>	<b>924</b>	<b>(1,503)</b>	<b>(74)</b>	<b>8,118</b>	<b>(8,118)</b>	<b>—</b>
<b>Unrestricted funds</b>	<b>489</b>	<b>26</b>	<b>(1)</b>	<b>—</b>	<b>514</b>	<b>(514)</b>	<b>—</b>
<b>Total funds</b>	<b>9,260</b>	<b>950</b>	<b>(1,504)</b>	<b>(74)</b>	<b>8,632</b>	<b>(8,632)</b>	<b>—</b>

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

### *EFA restricted funds and other restricted funds*

These grants relate to the Academy's educational activities. The transfer from the fund of £18,000 relates to the purchase of fixed assets using GAG funding.

### *Fixed asset fund*

These grants relate to capital funding received from the EFA and the London Borough of Merton, to carry out works of a capital nature.

### *Pension reserve*

The pension reserve relates to the Academy's share of the deficit of the London Borough of Merton Pension Scheme.

**16 Reconciliation of net expenditure to net cash (outflow) inflow from operating activities**

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Net expenditure	(554)	(634)
Depreciation (note 11)	160	987
Capital grants from DfE and other capital income	(18)	(96)
Interest receivable (note 2)	(4)	(23)
FRS 17 pension cost less contributions payable (note 20)	11	78
FRS 17 pension finance costs (note 20)	—	9
Increase in debtors	(5)	(28)
Increase in creditors	387	331
<b>Net cash (outflow) inflow from operating activities</b>	<b>(23)</b>	<b>624</b>

**17 Returns on investment and servicing of finance**

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Interest received	4	23
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>4</b>	<b>23</b>

**18 Capital expenditure and financial investment**

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Purchase of tangible fixed assets	—	(196)
Capital grants from DfE / EFA	18	22
Capital funding received from sponsors and others	—	74
<b>Net cash inflow (outflow) from capital expenditure and financial investments</b>	<b>18</b>	<b>(100)</b>

## 19 Analysis of changes in net funds

	At1 September 2014 £'000	Cash flows £'000	At 1 November 2014 £'000
Cash at bank and in hand	1,918	(1,918)	—

## 20 Pension commitments

The Academy'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 the London Borough of Merton. 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 October 2014.

Contributions amounting to £51,087 (year to 31 August 2014 - £51,891) were payable to the schemes at 1 November 2014 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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*

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);



## 20 Pension commitments (continued)

### *Teachers' Pension Scheme (continued)*

- ♦ total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

### *Valuation of the Teachers' Pension Scheme (continued)*

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

### *Teachers' Pension Scheme Changes*

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

## 20 Pension commitments (continued)

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

### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 1 November 2014 was £25,000 (year to 31 August 2014 - £146,000), of which employer's contributions totalled £17,000 (year to 31 August 2014 - £101,000) and employees' contributions totalled £8,000 (year to 31 August 2014 - £45,000).

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.

### *Principal actuarial assumptions*

The major assumptions used by the actuary were:

	1 November 2014 % per annum	31 August 2014 % per annum
Inflation		
. RPI	3.5%	3.4%
. CPI	2.7%	2.6%
Salary increases	4.5%	4.4%
Rate of discount	4.0%	3.9%
Rate of increase in pensions in payment and deferred pensions	2.7%	2.6%

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

	November 2014 years	August 2014 years
Longevity at age 65 for current pensioners		
. Men	22.3	22.3
. Women	25.5	25.5
Longevity at age 65 for future pensioners		
. Men	24.5	24.5
. Women	27.9	27.9

## 20 Pension commitments (continued)

### *Local Government Pension Scheme (continued)*

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

	Long-term rate of return expected 1 November 2014	At 1 November 2014 £'000	Long-term rate of return expected 31 August 2014	At 31 August 2014 £'000
Equities	6.6%	1,282	6.6%	1,311
Gilts	3.0%	448	3.7%	442
Property	6.1%	55	6.1%	53
Cash	0.5%	11	0.5%	11
<b>Total assets</b>		<b>1,796</b>		<b>1,817</b>
<b>Present value of scheme liabilities</b>		<b>(2,851)</b>		<b>(2,787)</b>
<b>Deficit in the scheme</b>		<b>(1,055)</b>		<b>(970)</b>

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy. The equity investments which are held in scheme assets are quoted and are valued at the current bid price following the adoption of the amendment of FRS17.

The expected return on assets is based on the long term future expected investment return for each asset class as at 1 November 2014 for the period to 31 August 2015. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets in the period was a loss of £46,000 (year to 31 August 2014 – gain of £160,000).

**20 Pension commitments (continued)**

***Local Government Pension Scheme (continued)***

Amounts recognised in the Statement of Financial Activities (SOFA):

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Current service cost (net of employee contributions)	11	78
<b>Total operating charge</b>	<b>11</b>	<b>78</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	20	110
Interest on pension liabilities	(20)	(119)
<b>Pension finance (costs)</b>	<b>—</b>	<b>(9)</b>
<b>Actuarial losses on pension scheme assets</b>	<b>(61)</b>	<b>(144)</b>
<b>Actuarial losses on scheme liabilities</b>	<b>(13)</b>	<b>(41)</b>
<b>Net loss</b>	<b>(74)</b>	<b>(185)</b>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £403,000 (year to 31 August 2014 - £329,000 loss).

Movement in deficit:

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Deficit at 1 September 2014	970	698
Employer contributions	(17)	(101)
Current service cost	28	179
Finance interest	—	9
Actuarial loss	74	185
<b>Deficit at 1 November 2014</b>	<b>1,055</b>	<b>970</b>

**20 Pension commitments (continued)**

**Local Government Pension Scheme (continued)**

Movements in the present value of the Academy's share of scheme liabilities:

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Scheme liabilities at 1 September 2014	2,787	2,435
Current service cost	28	179
Interest costs	20	119
Contributions by participants	8	45
Actuarial loss	13	41
Benefits paid	(5)	(32)
<b>Scheme liabilities at 1 November 2014</b>	<b>2,851</b>	<b>2,787</b>

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

	Period ended 1 November 2014 £'000	Year ended 31 August 2014 £'000
Fair value of scheme assets at 1 September 2014	1,817	1,737
Expected return on scheme assets	20	110
Actuarial gain	(61)	(144)
Contributions by employer	17	101
Contributions by scheme participants	8	45
Benefits paid	(5)	(32)
<b>Fair value of scheme assets at 1 November 2014</b>	<b>1,796</b>	<b>1,817</b>

The actuarial best estimate of contributions to be paid by the employer to the scheme in the next financial year is £112,000.

The history of experience adjustments is as follows:

	1 November 2014 £'000	31 August 2014 £'000	31 August 2013 £'000	31 August 2012 £'000	31 August 2011 £'000
Fair value of assets	1,796	1,817	1,737	1,476	1,285
Present value of scheme liabilities	(2,851)	(2,787)	(2,435)	(2,097)	(1,566)
Deficit in scheme	(1,055)	(970)	(698)	(621)	(281)
Experience adjustments on scheme liabilities	253	252	—	—	200
Experience adjustments on share of scheme assets	(205)	(144)	127	36	(72)

## 21 Contingent liabilities

### *Funding agreement*

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

## 22 Related party transactions

During the period ended 1 November 2014, CfBT Education Trust was remunerated for providing the following services to the Academy:

- ◆ Work experience placements - £nil (year to 31 August 2014 - £9,380)
- ◆ Careers Guidance Package - £7,650 (year to 31 August 2014 - £7,260)
- ◆ Membership fee - £23,780 (year to 31 August 2014 - £118,002)
- ◆ Consultancy fee and expenses - £463 (year to 31 August 2014 - £5,418)
- ◆ Conference fee - £nil (year to 31 August 2014 - £84)

The Academy made the above transactions at arms' length and in entering into those transactions, the Academy has complied with the requirements of the EFA's Academies Financial Handbook.

During the period ended 1 November 2014, the Academy received amounts from CfBT Schools Trust in relation to the following:

- ◆ Travel expense reimbursement - £20 (year to 31 August 2014 - £nil)

## 23 Financial commitments

At 1 November 2014 the Academy had annual commitments under non cancellable operating leases as follows:

	1 November 2014 £'000	31 August 2014 £'000
Expiring within two and five years	41	41

## 24 Transfer to CfBT Schools Trust

With effect from 1 November 2014, in accordance with a legal transfer of undertakings, the activities, assets and liabilities in respect to St Mark's Church of England Academy Trust were transferred to CfBT Schools Trust. The amounts transferred to CfBT Schools Trust comprised unrestricted funds of £514,000 and restricted funds of £8,118,000 and were represented by the following assets and liabilities.

Following this take over, the Academy's educational activities will continue within CfBT Schools Trust, however the charitable company will be dissolved.

	£'000
Tangible fixed assets (note 11)	8,700
Cash at bank and in hand	1,917
Debtors (note 12)	179
Creditors: amounts falling due within one year (note 13)	(802)
Creditors: amounts falling due in more than one year (note 14)	(307)
Pension Scheme liability (note 20)	(1,055)
	<u>(8,632)</u>