

Company Registration No. 07401748 (England and Wales)

**ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

WEDNESDAY



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# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

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# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Trustees</b>	Mr N A Gerrard (Resigned 31 December 2013) Mr R P King (Chair) Mrs S A O'Grady (Principal) Mr P A Griffiths Mr J W H Brown (Appointed 1 January 2014) Mrs K L Ahmad (Appointed 1 September 2013)
<b>Members</b>	Mr N A Gerrard (Resigned 31 December 2013) Mrs S A O'Grady (Principal) Mr P A Griffiths
<b>Senior management team</b>	
- Principal	Mrs S O'Grady
- Acting Principal	Mrs C Glennon
- Business Manager	Mrs J Fulford
<b>Company registration number</b>	07401748 (England and Wales)
<b>Registered office</b>	Salter Street Earlswood Solihull West Midlands B94 6DE
<b>Independent auditor</b>	Jerroms The Exchange Haslucks Green Road Shirley Solihull West Midlands B90 2EL
<b>Bankers</b>	Lloyds TSB 22A Great Hampton Street Birmingham B18 6AH

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

### **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 are the primary governing documents of the academy trust.

The trustees of St Patrick's Church of England Primary Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### Trustees' indemnities

There are no qualifying third party indemnity provisions in place.

#### Principal Activities

Our purpose is to provide an excellent rounded education enabling our pupils to achieve their individual potential, within a caring and supportive christian environment.

#### Method of recruitment and appointment or election of trustees

The Academy Trust is made up of five members; these members are responsible for the appointment of governors. The Trust will always include a member of the Tamworth Educational Foundation.

The Trust Members are as follows:

The Present Chair of Governors

The Principal (Head teacher)

One member of the Tamworth Educational Foundation

Another two who are appointed by the governing body

Governors are as follows:

One is appointed by the Birmingham Diocese Board of Education

One is appointed by the Church Council

One is appointed as Deanery Representative

One is elected by the staff of the school

One is appointed by the Local Authority

Two are elected by the parents

Three are appointed by the Tanworth Educational Foundation

The Headteacher

One who is co-opted

#### Policies and procedures adopted for the induction and training of trustees

The Academy provides training for trustees through Solihull MBC provision.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Objectives, strategies and activities

At St Patrick's Church of England Primary Academy our aims are:

- to promote the Christian faith and encourage Christian moral values, principles and understanding, as well as respect for people of different cultures and faiths
- to promote social, cultural, moral and spiritual development, preparing pupils to be responsible citizens
- to be an inclusive school where all children are valued and no child is treated less favourably than another child
- to create an interesting and stimulating environment which reflects our values and promotes a real sense of community as well as an individual sense of self-worth
- to develop a community of lifelong learners where access to knowledge is an entitlement and achievement recognised
- to provide learning experiences that will allow all pupils to develop their thinking and creative skills
- to ensure that the Every Child Matters agenda is realised
- to realise the potential of each and every pupil

The academy seeks to continually improve standards of teaching and learning throughout the school and to provide a broad, relevant and challenging curriculum for its pupils. In 2013/14 the priority was to concentrate improvements on packages purchased through the local authority.

The school has a comprehensive school improvement plan which is updated annually. Areas of improvement are prioritised and action plan written. Action plans include objectives, action to be taken and predicted costs, relevant in-service training, people responsible and success criteria. The school undertakes extensive and regular self-evaluation. This includes monitoring and evaluation of the pupil progress through assessment, work trawls, learning walks, lesson observation, interviews, objective and target setting and performance management.

The priorities for the improvement for 2014-15 will continue with maintaining high levels of attainment in Maths and English, additionally the development of SEN provision in light of new requirements.

### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

### **Strategic report**

#### Achievements and performance

Parental support for the children's achievement remains to be excellent, particularly with homework and communication with the school. Governors and trusts are very supportive.

The PTA raised funds for the school through planned events. The Christmas fair proved a great success once again. The PTA Organised a school ball which raised funds for both PTA and Maddie's Fighting Fund. The funds raised will be used to aid learning within the school.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Organisational structure

Governing Body is made up of two committees:- Finance & Resources and Standards, Performance and Curriculum committees. Members of the Finance and Resource committee review and approve the budget plan and receive regular monitoring statements to ensure the financial position of the school is stable.

### Connected organisations including related party relationships

The Academy Trust has entered into a Tenancy at Will agreement with the Tanworth Education Foundation who retain ownership of the land and buildings from which the school and nursery operate.

### **Objectives and activities**

#### Objects and aims

#### Mission statement

Our purpose is to provide an excellent rounded education enabling our pupils to achieve their individual potential, within a caring and supportive Christian environment.

### Safeguarding statement

At St Patrick's Church of England Primary Academy, the welfare of all pupils is of paramount importance. School must provide a secure environment in which children can flourish, are encouraged to talk and are listened to. In order to do this a wide range of safeguarding measures are put in place. Core activities and opportunities for children must be included in the curriculum in order for them to acquire the skills and attitudes required to keep themselves safe and prepare themselves for responsibilities in their adult lives. We have a comprehensive Child Protection Policy. Our safeguarding policy complements and supports other school policies. Parents are welcome to view any school policies and are involved in reviewing policies.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

The academy is in a healthy financial position at the end of the financial year, and is committed to improving standards in all periods. The school improvement plan shows its aims and objectives and indicates where the resources will be spent in future years.

The academy is dependent on the support of the EFA, and it does have limited support for specified resources from Tamworth Educational Foundations and the parents association.

Due to the rural location of St Patrick's Primary Academy, the designated catchment area contains very few houses. As a result the area from which our intake comes is from a wide area. Year on year we need to maintain high standards in order to attract prospective parents from other catchment areas. Numbers are a key driver to the success of the school and as such a dip in performance could lead to a drop in numbers hence affecting future funding.

Additionally a proven Secondary Academy has taken over a struggling local junior school. Children attending this school will automatically gain entry to the link Secondary School. Currently the school intake starts at KS2, however the school are proposing changes to its admission's to take children from FS2. As a result this could also affect the numbers applying to St Patrick's Primary Academy.

### Reserves policy

Our policy is to aim to hold £100,000 in cash reserve, deemed necessary to cover the main running costs of the academy for 2 months in the event of a major variation in circumstances.

### Investment policy and powers

Cash reserves are held in the current account at Lloyds Bank. This policy has been adopted by the governing body as a low risk, easy cash access strategy which suits the Academy's finance and business management. Surplus funds are invested in a long term deposit account.

### Principal risks and uncertainties

The Academy maintains and operates a system of internal control to safeguard all the resources delegated, granted or otherwise entrusted and ensures they are used cost effectively.

The system of internal control has been developed and coordinated by the Principal. It aims to provide as much assurance as is reasonably possible(not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or regularities are either prevented or can be detected promptly.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Plans for future periods

The School Improvement Plan for 2014/15 has several targets including developing an assessment policy to ensure progression in teaching and learning, a reading policy to raise pupil enjoyment and standards. The school aims to sustain high standards in mathematics, and to make more effective use of building and grounds to enhance curriculum delivery and staff and storage facilities.

The school will continue to develop the wraparound provision offered to parents. This provision was taken over in January 2014 and has proved to be a successful venture for the school. The provision will cover 38 weeks of the year, where parents will be able to drop children from 7.30am and pick up to 6pm.

EFA bidding took place for Kitchen improvements, the bid was successful and the school secured funding for £201,500. The school kitchen was completed in the summer of 2014 in time for the UFSM programme. Additional works are still required, these will be completed over the coming months.

### Auditor

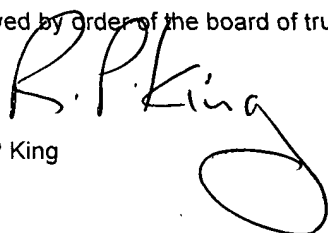
In so far as the trustees are aware:

- 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.

A resolution proposing that Jerroms be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 17 November 2014 and signed on its behalf by:

Mr R P King  
Chair





# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year.

Trustees	Meetings attended	Out of possible
Mr N A Gerrard (Resigned 31 December 2013)	1	1
Mr R P King (Chair)	3	3
Mrs S A O'Grady (Principal)	2	3
Mr P A Griffiths	3	3
Mr J W H Brown (Appointed 1 January 2014)	3	3
Mrs K L Ahmad (Appointed 1 September 2013)	3	3

### 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 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 system of internal control has been in place in St Patrick's Church Of England Primary Academy for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

The board of trustees 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 trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **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 trustees;
- regular reviews by the Finance and 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Jerroms, the external auditor, to perform additional checks

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

### **Review of effectiveness**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee/finance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17 November 2014 and signed on its behalf by:



Mr R P King  
Chair



Mrs C Glennon  
Acting Principal

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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As accounting officer of St Patrick's Church of England Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and 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 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 EFA.

Approved on 17 November 2014 and signed by:



Mrs C Glennon  
**Accounting Officer**

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (some of whom also act as governors for St Patrick's Church of England Primary Academy and are also the directors of St Patrick's Church of England Primary Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

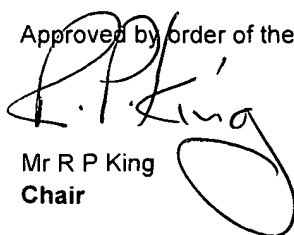
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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 accounts 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 trustees 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 that grants received from the EFA/DfE have been applied for the purposes intended.

The trustees 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 17 November 2014 and signed on its behalf by:

  
Mr R P King  
Chair

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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We have audited the accounts of St Patrick's Church of England Primary Academy for the year ended 31 August 2014 set out on pages 15 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees, who are also the directors of St Patrick's Church of England Primary Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 on accounts**

In our opinion the accounts:

- 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, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

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

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

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



**Mr Richard Alan Horton F.C.C.A (Senior Statutory Auditor)**  
Jerroms

#### Chartered Certified Accountants

##### Statutory Auditor

The Exchange  
Haslucks Green Road  
Shirley  
Solihull  
West Midlands  
B90 2EL

Dated: 17 November 2014

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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

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In accordance with the terms of our engagement letter dated 19 February 2014 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 Patrick's Church of England Primary Academy during the period 1 September 2013 to 31 August 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 Patrick's Church of England Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Patrick's Church of England Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the St Patrick's Church of England Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Patrick's Church of England Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Patrick's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 01 November 2010 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 1 September 2013 to 31 August 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.

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:
- obtaining sufficient understanding of the framework and authorities;
- discussion of procedures relating to regularity with the accounting officer;
- review of work performed during the internal audit function;
- tailoring of specific tests in the following areas:
  - - evaluation of the control environment
  - - testing the application of funds
  - - authorisation of expenditure
  - - review of accounts with a greater susceptibility to impropriety
  - - consideration of transactions outside of the delegated authority levels

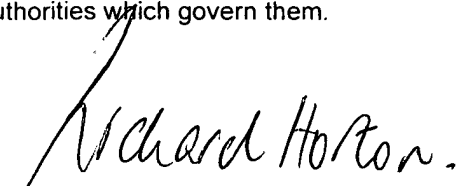
# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Richard Alan Horton F.C.C.A

**Reporting Accountant**

Jerroms

The Exchange

Haslucks Green Road

Shirley

Solihull

West Midlands

B90 2EL

Dated: 17 November 2014



# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2014	Total 2013
	Notes	£	£	£	£	£
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	3	687	1,577	-	2,264	30,456
- Activities for generating funds	4	123,645	103,215	-	226,860	55,874
- Investment income	5	1,516	-	-	1,516	737
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	-	894,589	107,336	1,001,925	906,280
<b>Total incoming resources</b>		<b>125,848</b>	<b>999,381</b>	<b>107,336</b>	<b>1,232,565</b>	<b>993,347</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	7	1,764	500	-	2,264	-
<i>Charitable activities</i>						
- Educational operations	8	52,149	894,267	6,105	952,521	909,592
Governance costs	9	-	31,578	-	31,578	10,088
<b>Total resources expended</b>	7	<b>53,913</b>	<b>926,345</b>	<b>6,105</b>	<b>986,363</b>	<b>919,680</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>71,935</b>	<b>73,036</b>	<b>101,231</b>	<b>246,202</b>	<b>73,667</b>
Gross transfers between funds		36,447	-	-	36,447	-
<b>Net income/(expenditure) for the year</b>		<b>108,382</b>	<b>73,036</b>	<b>101,231</b>	<b>282,649</b>	<b>73,667</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(49,447)	-	(49,447)	12,000
<b>Net movement in funds</b>		<b>108,382</b>	<b>23,589</b>	<b>101,231</b>	<b>233,202</b>	<b>85,667</b>
Fund balances at 1 September 2013		223,826	(31,917)	40,695	232,604	146,937
<b>Fund balances at 31 August 2014</b>		<b>332,208</b>	<b>(8,328)</b>	<b>141,926</b>	<b>465,806</b>	<b>232,604</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	12		129,982		20,516
<b>Current assets</b>					
Debtors	13	57,340		48,319	
Cash at bank and in hand		594,115		316,553	
		<u>651,455</u>		<u>364,872</u>	
Creditors: amounts falling due within one year	14	(157,631)		(9,784)	
<b>Net current assets</b>			493,824		355,088
<b>Total assets less current liabilities</b>			<u>623,806</u>		<u>375,604</u>
Defined benefit pension liability	18		(158,000)		(143,000)
<b>Net assets</b>			<u>465,806</u>		<u>232,604</u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>	16				
- Fixed asset funds			141,926		40,695
- General funds			149,672		74,636
- Pension reserve			(158,000)		(106,553)
<b>Total restricted funds</b>			<u>133,598</u>		<u>8,778</u>
<b>Unrestricted funds</b>	16		332,208		223,826
<b>Total funds</b>			<u>465,806</u>		<u>232,604</u>

The accounts were approved by order of the board of trustees and authorised for issue on 17 November 2014.

Mr R P King  
Chair

Company Number 07401748

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	19	190,677	46,461
<b>Returns on investments and servicing of finance</b>			
Investment income	1,516	737	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		1,516	737
		192,193	47,198
<b>Capital expenditure and financial investments</b>			
Capital grants received	107,336	6,751	
Payments to acquire tangible fixed assets	(21,967)	(11,221)	
<b>Net cash flow from capital activities</b>		85,369	(4,470)
<b>Increase/(decrease) in cash</b>	20	277,562	42,728

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts 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 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

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

#### 1.3 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.

##### 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.

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

##### Sponsorship income

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

##### 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 the hire of facilities, is 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 the academy trust's policies.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

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

##### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

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 over its expected useful life, as follows:

Land and buildings leasehold	125 years straight line
Plant & machinery	10 years straight line
Computer equipment	5 years straight line
Fixtures, fittings & equipment	10 years straight line

#### 1.6 Leasing and hire purchase commitments

The Tanworth Educational Foundation (TEF) have given permission for Tanworth in Arden Academy Trust to use their land and buildings on conversion to an Academy. This permission is via a tenancy at will and is given subject to the understanding that TEF retains ownership of the land and buildings and retains all rights and obligations that currently exist.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, 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 are 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.

#### 1.9 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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education, sponsors or other funders 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/Department for Education.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014.

### 3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	687	1,577	2,264	30,456

### 4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	4,085	-	4,085	6,295
Catering income	39,341	-	39,341	31,241
Parental contributions	15,857	-	15,857	13,996
Other income	64,362	103,215	167,577	4,342
	123,645	103,215	226,860	55,874

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	1,516	-	1,516	737

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	833,755	833,755	859,383
Capital grants	-	107,336	107,336	6,751
Other DfE / EFA grants	-	12,860	12,860	-
	-	953,951	953,951	866,134
<b>Other government grants</b>				
Local authority grants	-	45,974	45,974	40,146
Other grants	-	2,000	2,000	-
	-	47,974	47,974	40,146
<b>Total funding</b>	-	1,001,925	1,001,925	906,280

### 7 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	600,593	-	104,214	704,807	695,213
- Allocated support costs	68,113	37,515	142,086	247,714	214,379
	668,706	37,515	246,300	952,521	909,592
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	2,264	2,264	-
Governance costs	-	-	31,578	31,578	10,088
	-	-	33,842	33,842	10,088
<b>Total expenditure</b>	668,706	37,515	280,142	986,363	919,680
<b>Incoming/outgoing resources for the year include:</b>				<b>2014 £</b>	<b>2013 £</b>
Fees payable to auditor					
- Audit				2,500	2,250
- Other services				2,000	2,220



# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Resources expended

(Continued)

The company has, by resolution, waived the need for approval of the auditors' limitation liability, which has been set at £500,000 within the letter of engagement dated 19 February 2014. This approval has been confirmed in the letter of representation dated 17 November 2014.

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	23,715	567,409	591,124	650,006
Technology costs	-	31,159	31,159	-
Educational supplies and services	4,395	54,022	58,417	26,487
Staff development	-	9,469	9,469	2,899
Educational consultancy	-	1,200	1,200	-
Other direct costs	5,477	7,961	13,438	15,821
	<u>33,587</u>	<u>671,220</u>	<u>704,807</u>	<u>695,213</u>
<b>Allocated support costs</b>				
Support staff costs	-	68,113	68,113	2,000
Depreciation	-	6,105	6,105	4,472
Technology costs	-	-	-	18,324
Maintenance of premises and equipment	3,894	27,516	31,410	31,837
Cleaning	-	17,108	17,108	11,811
Energy costs	7,748	20,551	28,299	25,992
Rent and rates	-	9,902	9,902	6,487
Insurance	-	19,084	19,084	18,899
Security and transport	-	1,749	1,749	2,216
Catering	6,913	39,532	46,445	-
Interest and finance costs	-	3,000	3,000	3,000
Other support costs	7	16,492	16,499	89,341
	<u>18,562</u>	<u>229,152</u>	<u>247,714</u>	<u>214,379</u>
<b>Total costs</b>	<u>52,149</u>	<u>900,372</u>	<u>952,521</u>	<u>909,592</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	25,861	25,861	6,703
Auditor's remuneration				
- Audit of financial statements	-	2,500	2,500	2,250
- Other audit costs	-	2,000	2,000	1,135
Other governance costs	-	1,217	1,217	-
	<u>-</u>	<u>31,578</u>	<u>31,578</u>	<u>10,088</u>

### 10 Staff costs

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

	2014 Number	2013 Number
Teachers	8	8
Administration and support	7	6
Management	2	2
	<u>17</u>	<u>16</u>

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	540,897	535,266
Social security costs	35,586	42,141
Other pension costs	72,980	74,599
	<u>649,463</u>	<u>652,006</u>
Supply teacher costs	9,774	-
Staff development and other staff costs	9,469	2,899
	<u>668,706</u>	<u>654,905</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
	<u>1</u>	<u>1</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 10 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	1	1
	£	9,167	9,075
Local Government Pension Scheme	Numbers	-	-
	£	-	-

Included in staff costs are non-statutory/non-contractual payments totalling £3,268 (2013: £nil).

### 11 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £0 (2013: £0 ) were reimbursed to 0 trustees (2013: 0 trustees).

The value of trustees' remuneration was as follows:

Mrs S O'Grady (Principal) £75,000 - £80,000 (2013: £70,000 - £75,000).

Mrs C Glennon (Acting principal and staff governor) £45,000 - £50,000 (2013: £45,000 - £50,000).

Other related party transactions involving the trustees are set out within the related parties note.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 12 Tangible fixed assets

	Land and buildings	Plant & Machinery	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2013	-	3,192	17,504	6,520	27,216
Additions	65,256	30,720	19,595	-	115,571
At 31 August 2014	65,256	33,912	37,099	6,520	142,787
<b>Depreciation</b>					
At 1 September 2013	-	638	4,758	1,304	6,700
Charge for the year	-	319	5,134	652	6,105
At 31 August 2014	-	957	9,892	1,956	12,805
<b>Net book value</b>					
At 31 August 2014	65,256	32,955	27,207	4,564	129,982
At 31 August 2013	-	2,554	12,746	5,216	20,516

### 13 Debtors

	2014 £	2013 £
Trade debtors	1,382	10,715
Other debtors	44,280	24,341
Prepayments and accrued income	11,678	13,263
	57,340	48,319

### 14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	2,426	-
Taxes and social security costs	10,369	-
Other creditors	10,048	-
Accruals	109,022	7,754
Deferred income	25,766	2,030
	157,631	9,784

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>15</b>	<b>Deferred income</b>			<b>2014</b>	<b>2013</b>
				<b>£</b>	<b>£</b>
	Deferred income is included within:				
	Creditors due within one year			25,766	2,030
				<u>          </u>	<u>          </u>
	Total deferred income at 1 September 2013			2,030	-
	Amounts credited to the statement of financial activities			(2,030)	-
	Amounts deferred in the year			25,766	2,030
				<u>          </u>	<u>          </u>
	<b>Total deferred income at 31 August 2014</b>			<b>25,766</b>	<b>2,030</b>
				<u>          </u>	<u>          </u>
<b>16</b>	<b>Funds</b>				
		<b>Balance at 1 September 2013</b>	<b>Incoming resources</b>	<b>Resources Gains, losses expended and transfers</b>	<b>Balance at 31 August 2014</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Restricted general funds</b>				
	General Annual Grant	74,636	833,755	(817,135)	91,256
	Other DfE / EFA grants	-	12,860	(9,297)	3,563
	Other government grants	-	47,974	(47,974)	-
	Other restricted funds	-	104,792	(49,939)	54,853
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Funds excluding pensions	74,636	999,381	(924,345)	149,672
	Pension reserve	(106,553)	-	(2,000)	(158,000)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		(31,917)	999,381	(926,345)	(8,328)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Restricted fixed asset funds</b>				
	DfE / EFA capital grants	20,179	107,336	(6,105)	121,410
	Capital expenditure from GAG or other funds	20,516	-	-	20,516
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		40,695	107,336	(6,105)	141,926
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total restricted funds</b>	<b>8,778</b>	<b>1,106,717</b>	<b>(932,450)</b>	<b>133,598</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Unrestricted funds</b>				
	General funds	223,826	125,848	(53,913)	332,208
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total funds</b>	<b>232,604</b>	<b>1,232,565</b>	<b>(986,363)</b>	<b>465,806</b>
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 16 Funds

(Continued)

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

#### General Annual Grant (GAG)

The GAG must be used for the normal running costs of the academy.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

#### Other DfE / EFA grants

Other DfE / EFA grants relates to other grants such as Sports Grant and Pupil Premium allocation.

#### Other government grants

Other government grants relates to local authority grants and funding for specific purposes such as special education needs.

#### Other restricted funds

Other restricted funds relates to funds received for specific purposes from other sources.

#### Pension reserve

The pension reserve relates to the deficit on the Local Government Pension Scheme.

#### DfE / EFA capital grants

DfE / EFA capital grants relates to the Devolved Formula Capital Grant and Academies Capital Maintenance Grant.

#### General funds

General funds relates to funds which are unrestricted in nature and therefore can be used as the Trustees deem appropriate.

During the year, no transfers took place.

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	129,982	129,982
Current assets	356,674	189,234	105,547	651,455
Creditors: amounts falling due within one year	(24,466)	(39,562)	(93,603)	(157,631)
Defined benefit pension liability	-	(158,000)	-	(158,000)
	<u>332,208</u>	<u>(8,328)</u>	<u>141,926</u>	<u>465,806</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **18 Pensions 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 Hymans Robertson. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

There were outstanding contributions of £9,231 at the end of the financial year 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, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

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

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

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 18 Pensions and similar obligations

(Continued)

##### **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 percent 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.

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

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.6% and £7,000 to £7,600 lump sum for employers and 5.5 to 9.9% for employees. The estimated value of employer contributions for the forthcoming year is £27000.

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.



# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

	2014 £	2013 £
Employer's contributions	32,000	23,000
Employees' contributions	8,000	6,000
Total contributions	40,000	29,000

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.85	3.95
Rate of increase for pensions in payment	2.1	2.2
Discount rate for scheme liabilities	3.9	4.1
Inflation assumption (CPI)	2.1	2.2

#### Sensitivity analysis at 31 August 2014

Disclosure item	Central £000's	Sensitivity 1 +0.1% p.a. discount rate £000's	Sensitivity 2 +0.1% p.a. inflation £000's	Sensitivity 3 1 year increase in life expectancy £000's
Liabilities	307	302	313	313
Assets	(149)	(149)	(149)	(149)
Deficit/(Surplus)	158	153	164	164
Projected Service Cost for next year	30	29	31	31
Projected Expected Return on Assets for next year	(9)	(9)	(9)	(9)
Projected Interest Cost for next year	13	13	13	13

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

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

	2014 Years	2013 Years
Retiring today		
- Males	22.9	22.1
- Females	25.5	24.8
Retiring in 20 years		
- Males	25.1	23.9
- Females	27.8	26.7

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7	67,000	7	55,000
Government bonds	2.9	12,000	3.4	11,000
Other bonds	3.8	15,000	4.4	14,000
Cash/liquidity	0.5	7,000	0.5	5,000
Property	6.2	13,000	5.7	11,000
Other assets	7	35,000	7	33,000
Total market value of assets		149,000		129,000
Present value of scheme liabilities - funded		(307,000)		(272,000)
Net pension asset / (liability)		(158,000)		(143,000)

[A narrative description is required of the basis used to determine the overall expected rate of return on the major categories of scheme assets.]

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(9,000)	(6,000)
Interest on pension liabilities	12,000	9,000
	<u>3,000</u>	<u>3,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	31,000	25,000
Past service cost	-	-
	<u>31,000</u>	<u>25,000</u>
<b>Total operating charge/(income)</b>	<u>34,000</u>	<u>28,000</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	22,000	(5,000)
Experience (gains)/losses on liabilities	(9,000)	-
(Gains)/losses arising from changes in assumptions	36,447	(7,000)
<b>Total (gains)/losses</b>	<u>49,447</u>	<u>(12,000)</u>
<b>Cumulative (gains)/losses to date</b>	<u>43,447</u>	<u>(6,000)</u>

#### Movements in the present value of defined benefit obligations were as follows:

	2014 £	2013 £
Opening defined benefit obligations	(272,000)	(252,000)
Current service cost	(31,000)	(25,000)
Interest cost	(12,000)	(9,000)
Contributions by employees	(8,000)	(6,000)
Actuarial gains/(losses)	9,000	7,000
Benefits paid	7,000	13,000
	<u>(307,000)</u>	<u>(272,000)</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 18 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	129,000	102,000
Expected return on assets	9,000	6,000
Actuarial gains/(losses)	(22,000)	5,000
Contributions by employers	32,000	23,000
Contributions by employees	8,000	6,000
Benefits paid	(7,000)	(13,000)
	<u>149,000</u>	<u>129,000</u>

#### History of experience gains and losses:

	2014 £	2013 £	2012 £	2011 £
Present value of defined benefit obligations	(307,000)	(272,000)	(252,000)	(228,000)
Fair value of share of scheme assets	149,000	129,000	102,000	97,000
	<u>(158,000)</u>	<u>(143,000)</u>	<u>(150,000)</u>	<u>(131,000)</u>
Experience adjustment on scheme liabilities	9,000	7,000	(21,000)	4,000
Experience adjustment on scheme assets	(22,000)	5,000	1,000	(4,000)
	<u>(13,000)</u>	<u>12,000</u>	<u>(20,000)</u>	<u>0</u>

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	282,649	73,667
Capital grants and similar income	(107,336)	(6,751)
Investment income	(1,516)	(737)
FRS17 pension costs less contributions payable	(1,000)	2,000
FRS17 pension finance income	3,000	3,000
FRS 17 adjustment	(36,447)	-
Depreciation of tangible fixed assets	6,105	4,472
(Increase)/decrease in debtors	(9,021)	(8,950)
Increase/(decrease) in creditors	54,243	(20,240)
	<u>190,677</u>	<u>46,461</u>
Net cash inflow/(outflow) from operating activities	<u>190,677</u>	<u>46,461</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>20</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Increase/(decrease) in cash	277,562	42,728
	Net funds at 1 September 2013	316,553	273,825
		<u>          </u>	<u>          </u>
	<b>Net funds at 31 August 2014</b>	<b>594,115</b>	<b>316,553</b>
		<u>          </u>	<u>          </u>

<b>21</b>	<b>Analysis of net funds</b>	<b>At 1 September 2013</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 August 2014</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	316,553	277,562	-	594,115
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 22 Commitments under operating leases

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Expiry date:		
- Within one year	-	220
- Between two and five years	1,680	-
	<u>          </u>	<u>          </u>
	<b>1,680</b>	<b>220</b>
	<u>          </u>	<u>          </u>

## 23 Capital commitments

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	13,166	-
	<u>          </u>	<u>          </u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **24 Related parties**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees 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.

The following related party transactions took place in the period of account:

The Tanworth Educational Foundation (TEF) have given permission for St Patrick's Church of England Primary Academy to use their land and buildings on conversion to an Academy. This permission is via a tenancy at will and is given subject to the understanding that TEF retains ownership of the land and buildings and retains all rights and obligations that currently exist.

During the year TEF provided grants in the sum of £13,200 (2013: £23,128) in relation to funding for music and french resources.

During the year ended 31 August 2013, an interest free loan was made to Mrs C Glennon (staff governor and acting principal), the balance at 31 August 2014 amounted to £5,239 (2013: £6,700), this is repayable in monthly instalments over 5 years from March 2013. The loan was the direct result of an administration error within the local authority on conversion to an academy, relating to employee third party payments.

### **25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.