

Company Registration No. 07976516 (England and Wales)

**ST. JAMES' R.C. PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE PERIOD FROM 5 MARCH 2012 TO 31 AUGUST 2013**

WEDNESDAY



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COMPANIES HOUSE

# **ST. JAMES' R.C. PRIMARY SCHOOL**

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# ST. JAMES' R.C. PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

A Barradell (Foundation Governor) (Appointed 1 April 2012) \*#  
A Boshier (Headteacher) (Appointed 1 April 2012) \*#  
A Paris (Foundation Governor) (Appointed 5 March 2012) \*  
B Cotta (Parent Governor) (Appointed 1 May 2012) #  
B Wells (Foundation Governor) (Appointed 1 April 2012) #  
D McCabe (Foundation Governor) (Appointed 5 March 2012) \*  
J Gibson (Foundation Governor) (Appointed 1 May 2012) #  
K Moon (Parent Governor) (Appointed 1 May 2012) \*#  
L Weeks (Deputy Headteacher & Staff Governor) (Appointed 1 April 2012) \*#  
M Hutchinson (Chair & Foundation Governor) (Appointed 5 March 2012) \*#  
P Gudge (Local Governor) (Appointed 1 May 2012) \*  
R Jasper (Foundation Governor) (Appointed 1 April 2012) \*  
V Place (Staff Governor) (Appointed 1 April 2012 and resigned 25 July 2013) \*#

\* members of the resources and audit committee

# members of the children and learning committee

### Senior management team

A Boshier	- Headteacher
L Weeks	- Deputy Headteacher
J Richardson	- Responsible for Juniors
K Derry	- Responsible for Infants
M Wilson	- Responsible for Religious Education

### Responsible Officer

T Greenwood

### Company secretary

S Paris

### Company registration number

07976516 (England and Wales)

### Registered office

Maybury Close  
Petts Wood  
Orpington  
Kent  
BR5 1BL

### Independent auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

### Bankers

Lloyds Bank plc  
6-8 Market Square  
Bromley  
Kent  
BR1 1NA

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

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

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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 5 March 2012 to 31 August 2013

#### **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 James RC Primary School, an Academy Trust, are also the directors of the charitable company for the purposes of company law and they are governors of the Academy.
- The academy trust was incorporated as a company on 31st of March, 2012 and the predecessor school converted to academy status on 1st of April, 2012.
- 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 charitable company is known as St James RC Primary School, an Academy Trust.
- Details of the trustees who served during the year are included in the Reference and Administrative Details included at the front of these accounts.

##### 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.

##### Principal activities

The principal activity of the company is the operation of a state-funded Academy, St James Academy Trust Limited, providing a state education for students aged 4 to 11.

There is a long tradition of providing the highest quality of education that will meet the needs of every child and enable them to achieve their personal best.

Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

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

In accordance with the articles, the trustees of the charitable company are the governors. They are appointed as follows:

- The Archbishop shall appoint eight foundation governors one of whom shall be the Parish Priest and three of whom at least shall be eligible for election and appointment as Parent Governors.
  - The Governing body may appoint staff governors through a process as they may determine.
  - The Governing Body may appoint one Local governor.
  - The Head Teacher shall be treated for all purposes as being an ex officio Governor.
- In respect of those appointed by the governors, when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

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

The training and induction provided for new governors will depend on their existing experience.

Where necessary, induction will provide training in charity, educational, legal and financial matters.

All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors.

In addition to purchasing the Governor Training package from Bromley Local Authority, we also subscribe to Governor Courses provided by the Diocese of Southwark.

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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### Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least three times a year and has two committees,

- Resources & Audit Committee
- Children & Learning Committee
- Sub-committees are created ad-hoc when necessary, in addition to those reporting into the above (i.e. Pay / Premises / Admissions / Disciplinary / Appeals / Head Teacher's Performance)

Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings.

Day to day management of the company is undertaken by the Head Teacher, supported by the Leadership Team.

The Head Teacher is the Accounting Officer and the Business Manager is the Finance Officer.

### Risk management

The governors have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare.

The governors have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks.

Where significant financial risk still remains they have ensured they have adequate insurance cover.

The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Senior Leadership Team and overseen by Governors.

### Connected organisations and related party relationships

The Register of Business Interests confirms that there are no relationships with related parties and any other charities/organisations with which the academy co-operates in the pursuit of charitable activities.

### **Objectives and activities**

#### Objects and aims

The main object of the company is the advancement of education in the United Kingdom.

It achieves this object principally through the operation of St James Academy, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

#### Objectives, strategies and activities

The main objectives during the year were,

- To increase the number of children achieving L6 with particular reference to Reading
- 90% of Y1 pupils to meet the standard of the phonics test
- To narrow the gap between the SEN and EAL pupils to become closer to age-related expectations
- To enhance professional development through partnership working
- To update the school house in order to use it as an effective teaching space

#### Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit.

# ST. JAMES' R.C. PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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### Achievements and performance

#### Achievements in the period

- 10% of Y6 pupils achieved L6 in Reading, 10% in Maths and 3% in writing. There were no L6 pupils in Reading the previous year so this was a distinct improvement
- KS2 SATs results were well above the National Average with 100% of pupils achieving L4 across all subjects, 93% achieving L5+ in Reading, 70% L5+ in Writing and 80 L5+ in Maths. Progress is well above the national average
- KS1 results were above the national average and Maths at L2 had improved in relation to the previous year
- 93% of Y1 pupils met the standard of the phonics test
- SEN and EAL pupils made rapid progress and came closer to expected attainment levels
- Moderation with other schools, particularly at L6 with a secondary school
- Partner schools are sharing ideas, expertise, training and resources as appropriate
- The school house is ready for use and will enhance group teaching and will provide opportunities for cooking and gardening

#### Going concern

After making appropriate enquiries, the Board 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 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

#### **Key Financial Performance Indicators**

To monitor the financial performance of the Academy the Governor's use key financial indicators

- The Current Ratio is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities and we believe is an appropriate measure of the financial health of the Academy
- Our Current Assets exceed our Current Liabilities by a ratio 1.5 to 1 which is an indication of the strength of the liquidity position of the Academy. Going forward we would like this ratio to remain in the range 1.5/2.5
- The most effective Cost Control Measure we monitor is Total Staff Costs as a percentage of Total Grant Income. Total Grant Income includes GAG, SEN Matrix Funding and Pupil Premium
- The current figure is 80.27% which falls within our targeted variance level of 77.5% - 82.5%

These financial figures are recorded as per our Annual Accounts

- Total incoming resources amounted to £1,549k
- Total resources expended were £1,499k
- Total fund balances at 31 August 2013 amounted to £80k
- Fixed asset fund of £3k reflects the value of unspent capital grant held at 31 August 2013
- This fund is available for spending but is earmarked for qualifying capital purposes
- Other restricted funds, available for spending amounted to £92k
- The academy's share of the LGPS deficit amounted to £(90k)
- Unrestricted funds stood at £75k

#### Principal risks and uncertainties

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced.

The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS (Local Government Pension Scheme) deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

# ST. JAMES' R.C. PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes

The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

### Reserves policy

The principal policy on reserves is that accumulation of unspent GAG (Government Allocated Grant) balances should not breach any limits thereon set out in the Funding agreement

The level of reserves should never be in deficit

Each year the Governors review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved

### Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted

### **Plans for the future**

The principal task facing the company is to maintain and improve on the excellent educational standards achieved by the Academy

Through our strong family & Catholic ethos, our staff, parents, governors and school PTA, are committed to working together in the future to ensure we meet the needs and aspirations of every single child who attends the Academy

In addition there are a number of key tasks for the year ahead

- To increase still further the number of pupils attaining L6 at the end of KS2
- To ensure that attendance rates are high across the school
- To continue to close the gap between SEN, FSM and EAL pupils and the rest of the school
- To implement aspects of the New Curriculum that will enhance the learning across the school
- To formalise partnerships with other local schools in order to develop share good practice

### **Funds held as custodian trustee**

The Academy does not act as a Custodian Trustee and therefore does not hold any funds on behalf of others

### **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 Baxter & Co be reappointed as auditor of the charitable company will be put to the members

Approved by order of the Board on 28 November 2013 and signed on its behalf by



M Hutchinson  
Chair of Governors



# ST. JAMES' R.C. PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE PERIOD ENDED 31 AUGUST 2013**

### Scope of responsibility

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

The Board has delegated the day-to-day responsibility to A Boshier the Headteacher, 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 James' R C Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board 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 has formally met 3 times during the period. The attendance record of each Trustee at Board Meetings was as follows:

Trustees	Meetings attended	Out of possible
A Barradell (Foundation Governor) (Appointed 1 April 2012)	2	4
A Boshier (Headteacher) (Appointed 1 April 2012)	4	4
A Paris (Foundation Governor) (Appointed 5 March 2012)	4	4
B Cotta (Parent Governor) (Appointed 1 May 2012)	4	4
B Wells (Foundation Governor) (Appointed 1 April 2012)	4	4
D McCabe (Foundation Governor) (Appointed 5 March 2012)	4	4
J Gibson (Foundation Governor) (Appointed 1 May 2012)	4	4
K Moon (Parent Governor) (Appointed 1 May 2012)	4	4
L Weeks (Deputy Headteacher & Staff Governor) (Appointed 1 April 2012)	4	4
M Hutchinson (Chair & Foundation Governor) (Appointed 5 March 2012)	4	4
P Gudge (Local Governor) (Appointed 1 May 2012)	2	4
R Jasper (Foundation Governor) (Appointed 1 April 2012)	4	4
V Place (Staff Governor) (Appointed 1 April 2012 and resigned 25 July 2013)	1	4

### Details of key changes to composition of the Board and/or Committees

V Place resigned as Staff Trustee on the 25th of July, 2013

# ST. JAMES' R.C. PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

The Resources and Audit committee is a committee of the main Board. Its purpose is to advise the Board on financial matters, monitoring financial management, financial position and taking responsibility for the process of risk management.

The attendance record of each Trustee at the Resource & Audit Meetings was as follows

Trustees	Meetings attended	Out of possible
A Barradell (Foundation Governor) (Appointed 1 April 2012)	3	4
A Boshier (Headteacher) (Appointed 1 April 2012)	4	4
A Paris (Foundation Governor) (Appointed 5 March 2012)	4	4
D McCabe (Foundation Governor) (Appointed 5 March 2012)	3	4
K Moon (Parent Governor) (Appointed 1 May 2012)	2	4
L Weeks (Deputy Headteacher & Staff Governor) (Appointed 1 April 2012)	4	4
M Hutchinson (Chair & Foundation Governor) (Appointed 5 March 2012)	4	4
P Gudge (Local Governor) (Appointed 1 May 2012)	3	4
R Jasper (Foundation Governor) (Appointed 1 April 2012)	4	4
V Place (Staff Governor) (Appointed 1 April 2012 and resigned 25 July 2013)	2	4

The Children and Learning Committee is a committee of the main Board. Its purpose is to oversee all matters relating to the educational and pastoral care provided by the school.

The attendance record of each Trustee at the Children & Learning Meetings can be deduced from the relevant Minutes of the meetings.

### 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 James' R C Primary School for the period 5 March 2012 to 31 August 2013 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 5 March 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE PERIOD ENDED 31 AUGUST 2013***

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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,
- 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,
- identification and management of risks

The Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed T Greenwood, an external consultant, as responsible officer (RO).

During the period, the RO has conducted a visit to test transactions and systems and has reported findings in a written report to Trustees. No material control weaknesses were reported and the Trustees are satisfied that the role of RO has been fulfilled effectively.

The RO'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 RO reports to the Board on the operation of the systems of control and on the discharge of the financial responsibilities of the Board.

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

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

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#### **Governing Body Courses**

Courses Attended by Trustees up to School Year 2012/13 are listed below,

##### **A Paris**

Hearings Guidance for all Governors and Clerks - Jun 2013  
OFSTED 2012 Framework Update for all governors - Dec 2012  
Finance Training for Academy Governors - Nov 2012  
Managing Change The Implications of the 2011 Education Act & other Requirements - Sept 2012  
Chairs and Local Authority Governors' Forum - Budget - Jan 2011  
Safer Recruitment Workshop - Jan 2011  
Finance for Governors - Feb 2009  
New Governors Induction - Nov 2008

##### **B Cotta**

Parents Governor Working in Partnership with Parents - Jun 2013  
Supporting Able Learners - May 2013  
Behaviour How Governors can Continue to meet the Challenge - Apr 2013  
Health and Safety for All School and Academy Governors - Mar 2013  
Personnel issues for Academy Governors - Feb 2013  
Self-Evaluation The Governors role in challenging and support - Jan 2013  
OFSTED 2012 Framework Update for all governors - Dec 2012  
Governors Working in Partnership with the Headteacher - Dec 2012  
Using Data to Support School improvement Schools and Academies - Nov 2012  
New Governors Induction - Nov 2012  
Managing Change The Implications of the 2011 Education Act and other Requirements - Sept 2012

##### **D McCabe**

Foundation Course for Governors - May 2009  
Health & Safety in Schools - Mar 2009  
Data - How it can help Primary governors monitor school self-evaluation - Mar 2009  
Able Gifted and Talented Pupils - Mar 2009  
Making an Effective Governor Visit - Feb 2009  
Safeguarding Children - The Governors' Role - Feb 2009

##### **J Gibson**

Parents Governor Working in Partnership with Parents - Jun 2013  
Safeguarding Children - Mar 2013  
Using Data to Support School improvement Schools and Academies - Feb 2013  
New Governors Induction - Nov 2012  
Safeguarding Children - Nov 2012

##### **K Moon**

Using Data to Support School improvement Schools and Academies - Oct 2012  
Special Education Needs & Disability Oversight for all governors - Feb 2013  
Self-Evaluation The Governors role in challenging and support - Jan 2013  
OFSTED 2012 Framework Update for all governors - Dec 2012  
New Governors Induction - Nov 2012

##### **M Hutchinson**

OFSTED 2012 Framework Update for all governors - Dec 2012  
Using Data to Support School improvement Schools and Academies - Oct 2012  
Chairs' of Governors Network Forum - Oct 2012  
Managing Change The Implications of the 2011 Education Act and other Requirements - Sept 2012  
Promoting Community Cohesion The Duty For Schools - Nov 2010

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013**

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Courses planned for School Year 2013/14 are listed below,

### **A Paris**

The Emotionally Intelligent Leader A Practical Approach for Governors - Nov 2013

Self Evaluation The Governors Role in Challenge and Support - Jan 2014

Finance Training for Academy Governors - Jan 2014

### **B Cotta**

Governors Engaging with Key Stakeholders – Nov 2013

The Emotionally Intelligent Leader A Practical Approach for Governors - Nov 2013

Finance Training for Academy Governors - Jan 2014

The Questions that Ofsted Might Ask – Feb 2014

Safeguarding Children - The Governor's Role – Mar 2014

### **Review of effectiveness**

As accounting officer the Headteacher 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 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 resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

# ST. JAMES' R.C. PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

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### Mission Statement

At St James' R C Primary School we

- Actively demonstrate the Christian values that are shared by all
- Maintain a safe, welcoming environment which fosters independence and resilience
- Promote positive relationships and respect for self and others
- Inspire children to be excited by learning
- Enable everyone to reach their full potential and embrace the future

WE BELIEVE IN YOU, AND YOUR ABILITY TO SUCCEED

### Reports, Policies & Websites

St James' OFSTED Report

- <http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/101656>

### St. James' School Results

Department of Education results prior to Academy conversion

- <http://www.education.gov.uk/cgi-bin/schools/performance/school.pl?urn=137958>

Department of Education results after Academy conversion

- <http://www.education.gov.uk/cgi-bin/schools/performance/school.pl?urn=137958>

### St. James' Policies

- <http://st-james.bromley.sch.uk/importantdocuments/>

### St James' School Websites

- <http://st-james.bromley.sch.uk/>
- <http://st-james.bromley.sch.uk/information/>
- <http://st-james.bromley.sch.uk/importantdocuments/>
- <http://st-james.bromley.sch.uk/contact/>
- <http://st-james.bromley.sch.uk/community/organisations/>
- <http://st-james.bromley.sch.uk/pta/>
- <http://st-james.bromley.sch.uk/governors/>
- <http://www.education.gov.uk/>
- <http://www.educationcommission.org.uk/>

Approved by order of the Board on 28 November 2013 and signed on its behalf by



A Boshier  
Accounting Officer



M Hutchinson  
Chair of Governors

## **ST. JAMES' R.C. PRIMARY SCHOOL**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2013**

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As accounting officer of St James' R C Primary School I have considered my responsibility to notify the academy trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency 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 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.

Approved on 28 November 2013 and signed by

*A. Boshier*

A Boshier  
Accounting Officer

# ST. JAMES' R.C. PRIMARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who also act as governors for St James' R C Primary School and are also the directors of St James' R C Primary School 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 on 28 November 2013 and signed on its behalf by



M Hutchinson  
Chair of Governors



# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ST. JAMES' R.C. PRIMARY SCHOOL**

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We have audited the accounts of St James' R C Primary School for the period ended 31 August 2013 set out on pages 19 to 38. 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 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 14, the Trustees, who are also the directors of St James' R C Primary School 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. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2013 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 period for which the accounts are prepared is consistent with the accounts.

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ST. JAMES' R.C. PRIMARY SCHOOL**

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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

**D J Walsh FCCA (Senior Statutory Auditor)**  
**for and on behalf of Baxter & Co**

**Chartered Certified Accountants**  
**Statutory Auditor**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated 3 December 2013

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST. JAMES' R.C. PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 03 May 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St James' R C Primary School during the period 5 March 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to St James' R C Primary School 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 James' R C Primary School 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 James' R C Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of St. James' R.C. Primary School's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of St James' R C Primary School's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 5 March 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes

- Review of payments to staff,

- Review of payments to suppliers and other third parties,

- Review of grant and other income streams,

- Discussions with finance staff,

- Consideration of academy responses to a regularity questionnaire we provided and consideration of matters arising therefrom

## **ST. JAMES' R.C. PRIMARY SCHOOL**

### **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST. JAMES' R.C. PRIMARY SCHOOL 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 5 March 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

**D J Walsh FCCA (Senior Statutory Auditor)  
for and on behalf of Baxter & Co**

Chartered Certified Accountants  
Statutory Auditor  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated 03 December 2013

# ST. JAMES' R.C. PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2013

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2013 £'000
<b>Incoming resources</b>	<b>Notes</b>				
<i>Resources from generated funds</i>					
- Voluntary income	3	-	92	-	92
- Inherited on conversion	21	129	53	-	182
- Activities for generating funds	4	79	52	-	131
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	-	1,131	13	1,144
<b>Total incoming resources</b>		<u>208</u>	<u>1,328</u>	<u>13</u>	<u>1,549</u>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
- Relating to voluntary income	6	43	43	-	86
<i>Charitable activities</i>					
- Educational operations	7	81	1,297	-	1,378
Governance costs	8	9	26	-	35
<b>Total resources expended</b>	6	<u>133</u>	<u>1,366</u>	<u>-</u>	<u>1,499</u>
<b>Net incoming/(outgoing) resources before transfers</b>		75	(38)	13	50
Gross transfers between funds		-	10	(10)	-
<b>Net income/(expenditure) for the period</b>		75	(28)	3	50
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension scheme	15	-	30	-	30
<b>Net movement in funds</b>		75	2	3	80
Fund balances at 5 March 2012		-	-	-	-
<b>Fund balances at 31 August 2013</b>		<u>75</u>	<u>2</u>	<u>3</u>	<u>80</u>

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 financial period above.

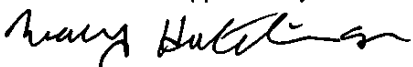
# ST. JAMES' R.C. PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2013

		2013	
	Notes	£'000	£'000
<b>Current assets</b>			
Debtors	11	12	
Cash at bank and in hand		232	
		<u>244</u>	
Creditors amounts falling due within one year	12	(74)	
<b>Total assets less current liabilities</b>			170
Defined benefit pension liability	15		(90)
<b>Net assets</b>			<u>80</u>
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	13		
- Fixed asset funds			3
- General funds			92
- Pension reserve			(90)
<b>Total restricted funds</b>			<u>5</u>
<b>Unrestricted funds</b>	13		75
<b>Total funds</b>			<u>80</u>

The accounts were approved by order of the Board and authorised for issue on 28 November 2013

  
M Hutchinson  
Chair of governors

Company Number 07976516

# **ST. JAMES' R.C. PRIMARY SCHOOL**

## **CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>Notes</b>	<b>31 August 2013 £'000</b>
Net cash inflow/(outflow) from operating activities	<b>16</b>	<b>80</b>
Cash funds transferred on conversion		<b>139</b>
		<hr/> <b>219</b>
<b>Capital expenditure and financial investments</b>		
Capital grants received		<b>13</b>
		<hr/>
<b>Net cash flow from capital activities</b>		<b>13</b>
<b>Increase/(decrease) in cash</b>	<b>17</b>	<hr/> <b>232</b> <hr/>

# ST. JAMES' R.C. PRIMARY SCHOOL

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

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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 period 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.

##### 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.

#### 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.



# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### 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 £2,500 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, at rates calculated to write off the cost of each asset over its expected useful life, as follows

Freehold land is not depreciated	
Freehold buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

### 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.

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### Teachers' Pension Scheme

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 15, 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 period.

#### Local Government Pension Scheme

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/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 and other donors.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2013 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 2013.

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
School Journey and Voluntary Fund Income	-	47	47
Other donations	-	45	45
	-	92	92

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
Hire of facilities	1	-	1
Catering income	-	52	52
Other	78	-	78
	79	52	131

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	1,046	1,046
Capital grants	-	13	13
Other DfE / EFA grants	-	7	7
	-	1,066	1,066
<b>Other government grants</b>			
Local authority grants	-	68	68
Other grants	-	10	10
	-	78	78
<b>Total funding</b>	-	1,144	1,144

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

<b>6 Resources expended</b>				
	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>2013</b>
				<b>£'000</b>
<b>Academy's educational operations</b>				
- Direct costs	790	-	251	1,041
- Allocated support costs	160	58	119	337
	<u>950</u>	<u>58</u>	<u>370</u>	<u>1,378</u>
<b>Other expenditure</b>				
Costs of generating voluntary income	38	-	48	86
Governance costs	-	-	35	35
	<u>38</u>	<u>-</u>	<u>83</u>	<u>121</u>
<b>Total expenditure</b>	<u>988</u>	<u>58</u>	<u>453</u>	<u>1,499</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2013</b>
				<b>£'000</b>
Operating leases				1
Fees payable to auditor				5
- Audit				4
- Other services				

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
<b>Direct costs</b>			
Teaching and educational support staff costs	72	718	790
Technology costs	-	36	36
Educational supplies and services	9	188	197
Staff development	-	4	4
Educational consultancy	-	5	5
Other direct costs	-	9	9
	<u>81</u>	<u>960</u>	<u>1,041</u>
<b>Allocated support costs</b>			
Support staff costs	-	160	160
Technology costs	-	3	3
Maintenance of premises and equipment	-	58	58
Cleaning	-	5	5
Energy costs	-	15	15
Rent and rates	-	12	12
Insurance	-	23	23
Security and transport	-	1	1
Catering	-	42	42
Interest and finance costs	-	4	4
Other support costs	-	14	14
	<u>-</u>	<u>337</u>	<u>337</u>
<b>Total costs</b>	<u>81</u>	<u>1,297</u>	<u>1,378</u>

### 8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
Legal and professional fees	-	26	26
Auditor's remuneration			
- Audit of financial statements	5	-	5
- Other non audit costs	4	-	4
	<u>9</u>	<u>26</u>	<u>35</u>

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 9 Staff costs

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

	2013 Number
Teachers	6
Administration and support	11
Management	2
	<u>19</u>

Costs included within the accounts:	2013 £'000
Wages and salaries	825
Social security costs	49
Other pension costs	103
	<u>977</u>
Supply teacher costs	5
	<u>982</u>
Total staff costs	<u>982</u>

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

	2013 Number
£60,000 - £70,000	<u>1</u>

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

		2013
Teachers' Pension Scheme	Numbers	1
	£'000	13
Local Government Pension Scheme	Numbers	-
	£'000	-

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 10 Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 period, no travel and subsistence or other expenses were reimbursed to any Trustees.

The value of Trustees' remuneration for the 17 month period was as follows

A Boshier (Headteacher) £90,000 - £95,000  
L Weeks (Staff Governor) £60,000 - £65,000  
V Place (Staff Governor) £15,000 - £20,000

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 and the cost for the period ended 31 August 2013 was £494.

<b>11 Debtors</b>	<b>2013 £'000</b>
Other debtors	12
	<u>12</u>
<b>12 Creditors amounts falling due within one year</b>	<b>2013 £'000</b>
Taxes and social security costs	11
Accruals	63
	<u>74</u>

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 13 Funds

	Balance at 5 March 2012 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2013 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	1,046	(986)	10	70
Other DfE / EFA grants	-	7	(5)	-	2
Other government grants	-	78	(69)	-	9
Other restricted funds	-	309	(298)	-	11
	<u>-</u>	<u>1,440</u>	<u>(1,358)</u>	<u>10</u>	<u>92</u>
Funds excluding pensions	-	1,440	(1,358)	10	92
Pension reserve	-	(112)	(8)	30	(90)
	<u>-</u>	<u>1,328</u>	<u>(1,366)</u>	<u>40</u>	<u>2</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	13	-	(10)	3
	<u>-</u>	<u>13</u>	<u>-</u>	<u>(10)</u>	<u>3</u>
<b>Total restricted funds</b>	<u>-</u>	<u>1,341</u>	<u>(1,366)</u>	<u>30</u>	<u>5</u>
<b>Unrestricted funds</b>					
General funds	-	208	(133)	-	75
	<u>-</u>	<u>208</u>	<u>(133)</u>	<u>-</u>	<u>75</u>
<b>Total funds</b>	<u>-</u>	<u>1,549</u>	<u>(1,499)</u>	<u>30</u>	<u>80</u>

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

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 2013

The General Annual Grant fund is to be used for the general operation of the academy

The Other DfE/EFA fund and Other Government Grant fund represents the unspent balance of grants received during the period for specific purposes

The Other Restricted Funds represent general funds which remain unspent, but are earmarked for particular purposes

The DfE/EFA Capital Grant Fund represents unspent capital income at the period end and is set aside to fund future capital purchases

Unrestricted General Funds represent balances held at the period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes



# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 14 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2013 are represented by:</b>				
Current assets	83	158	3	244
Creditors amounts falling due within one year	(8)	(66)	-	(74)
Defined benefit pension liability	-	(90)	-	(90)
	<u>75</u>	<u>2</u>	<u>3</u>	<u>80</u>

### 15 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 London Borough of Bromley 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 2010

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

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Scheme budgeting and valuation account

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

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

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2013

#### 15 Pensions and similar obligations

(Continued)

##### 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.

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

##### Teachers' Pension Scheme changes

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

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

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

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

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

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 25 per cent for employers and 7 per cent for employees. The estimated value of employer contributions for the forthcoming year is £22k.

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.

	2013 £'000
Employer's contributions	23
Employees' contributions	6
Total contributions	<u>29</u>

#### Principal actuarial assumptions

	2013 %
Rate of increase in salaries	4.80
Rate of increase for pensions in payment	2.50
Discount rate for scheme liabilities	4.80
CPI increases	<u>2.50</u>

#### Sensitivity Analysis

Scheme liabilities have been valued at £231k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £225k.

If the inflation rate were to increase by 0.1%, liabilities would be measured at £238k.

If the mortality rate were to increase by a year, liabilities would be measured at £235k.

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 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

	2013 Years
Retiring today	
- Males	23
- Females	27
Retiring in 20 years	
- Males	25
- Females	29

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

	2013 Expected return %	2013 Fair value £'000
Equities	7.00	105
Bonds	3.90	22
Other assets	3.75	14
Total market value of assets		141
Present value of scheme liabilities - funded		(231)
Net pension asset / (liability)		(90)

#### Assumptions on expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (3.4%). The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (4.4% p.a.)

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2013 was 7% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

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

2013  
£'000

#### Financial expenditure/(income)

Expected return on pension scheme assets

(5)

Interest on pension liabilities

9

4

#### Other expenditure/(income)

Current service cost

27

Past service cost

-

27

#### Total operating charge/(income)

31

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

2013  
£'000

Actuarial (gains)/losses on assets actual return less expected

(15)

Experience (gains)/losses on liabilities

-

(Gains)/losses arising from changes in assumptions

(15)

Total (gains)/losses

(30)

Cumulative (gains)/losses to date

(30)

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

2013  
£'000

Obligations acquired on conversion

(204)

Current service cost

(27)

Interest cost

(9)

Contributions by employees

(6)

Actuarial gains/(losses)

15

(231)

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

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

2013  
£'000

Assets acquired on conversion	92
Expected return on assets	5
Actuarial gains/(losses)	15
Contributions by employers	23
Contributions by employees	6
	<u>141</u>

#### History of experience gains and losses

2013  
£'000

Present value of defined benefit obligations	(231)
Fair value of share of scheme assets	141
	<u>(90)</u>
Experience adjustment on scheme liabilities	-
Experience adjustment on scheme assets	15

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

2013  
£'000

Net income	50
Capital grants and similar income	(13)
Net deficit/(surplus) transferred on conversion	(182)
Net current assets other than cash transferred on conversion	155
FRS17 pension costs less contributions payable	4
FRS17 pension finance income	4
(Increase)/decrease in debtors	(12)
Increase/(decrease) in creditors	74
	<u>80</u>
Net cash inflow/(outflow) from operating activities	

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 17 Reconciliation of net cash flow to movement in net funds 2013 £'000

Increase/(decrease) in cash	232
Net funds at 5 March 2012	-
<b>Net funds at 31 August 2013</b>	<b>232</b>

### 18 Analysis of net funds

	At 5 March 2012	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2013
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	-	139	93	-	232

### 19 Commitments under operating leases

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

	2013 £'000
Expiry date	
- Between two and five years	1

### 20 Related parties

Owing to the nature of the academy trust's operations and the composition of the Board 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.

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

# ST. JAMES' R.C. PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 21 Conversion to an academy

On 01 April 2012, the St James' Roman Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St James' R C Primary School from the London Borough of Bromley for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources/resources expended in the statement of financial activities as voluntary income/other resources expended

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2013 £'000
Surplus/(deficit) on LA budget funds	129	10	-	139
LGPS pension surplus/(deficit)	-	(112)	-	(112)
Other funds	-	155	-	155
Net assets transferred	<u>129</u>	<u>53</u>	<u>-</u>	<u>182</u>
Net assets transferred include the following:				£'000
Cash				<u>139</u>

### 22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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