

**St Margaret's Church of England  
Academy  
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended

31 August 2014

Company Number 08160433

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**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

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**St Margaret's Church of England Academy  
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**Reference and Administrative Details**

**Governors**

The Bishop of Liverpool	Member & Ex-officio Governor
Dr Carl Gavin	Member and Chair of Governors (Resigned Oct 14)
Mr Peter Oliver	Governor (Appointed Chair of Governors Dec 14)
Mr Geoff Pollard	Governor
Mr Roger Arden	Member & Governor
Mr Stephen Brierley	Principal Ex-officio (Appointed Sep 2013)
Ms Celine Duzant	Governor & Bishop's Representative
Mr John Foulkes	Governor (Appointed Sep 13)
Mrs Moira Griffiths-Parr	Clerk to Governors (Retired Sep 14)
Mrs Denise Hart	Staff Governor
Mr Ray Limb	Governor (Retired Jul 14)
Mr Andrew McCaldon	Governor (Appointed Sep 13)
Mr Graham Mansell	Parent Governor
Mr Paul Pratt	Parent Governor
Mr Brian Stone	Governor
Mrs Marion Thomas	Governor
Mr Terry Van Eker	Parent Governor
Canon Roger Wikeley	Governor (Retired Jul 14)
Mr John Woodward	Staff Governor (Retired Jul 14)
Mr Kenneth Cain	Staff Governor (Appointed Sep 14)
Rev Ian Greenwood	Governor (Appointed Oct 13)
Rev Denise Williams	Governor (Appointed Sep 14)

**Sub Committees of the Academy Trust**

1. Curriculum & Student Welfare Committee
2. Finance & Audit Committee
3. Premises & Resources Committee
4. Pay & Personnel Committee
5. Discipline Committee (Pupils & Staff)

**Senior Leadership Team**

Mr Stephen Brierley	Principal
Mr Steven Slater	Vice Principal: Curriculum and Personnel
Mrs Andrea Penketh	Vice Principal: Director of Ethos & SM SC
Mr John Wilkinson	Vice Principal: Business, Site and Services (retired 31 August 2014)
Mr Geoff Laird	Assistant Principal: Director of Sixth Form
Mr Robert Lawton	Assistant Principal: Director of Pastoral Care (appointed 1 September 2014)
Mr John Woodward	Assistant Principal: Teaching and Learning/CPD (appointed 1 September 2014)
Dr Daniel Silverstone	Assistant Principal: Data and Intervention (appointed 1 September 2014)
Mr Mark D'Arcy	Director of Business and Finance (appointed 1 September 2014)
Mrs Moira Griffiths-Parr	Director of Finance and Business Administration/Company Secretary (retired 14 September 2014)
Clerk to Governors	Mrs. A Mocroft <i>Can be contacted on 0151 427 1825</i>

**St Margaret's Church of England Academy  
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**Reference and Administrative Details (continued)**

**Principal and Registered Office**

St. Margaret's Church of England Academy  
Aigburth Road  
Aigburth  
Liverpool L17 6AB

**Company Registration Number:**      **08160433**

**Independent Auditor:**

Baker Tilly UK Audit LLP  
3 Hardman Street  
Manchester  
M3 3HF

**Bankers:**

Barclays Bank PLC  
Liverpool City Centre  
Liverpool  
L2 1TD

**Solicitors**

Hill Dickinson LLP  
St. Paul's Square  
Old Hall Street  
Liverpool  
L3 9SJ

**St Margaret's Church of England Academy  
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**Trustees' Report and Strategic Report**

The Trustees and Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 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.

17 of the 19 governors in office at the year-end act as the trustees for the charitable activities of St. Margaret's Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St. Margaret's Church of England Academy.

Details of governors who served throughout the period except as noted 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.

**Governors' Indemnities**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity is £2,000,000.

**Principal Activities**

The principal activity is to advance education for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary Academy offering a broad and balanced curriculum for students of different abilities between the ages of 11-18.

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

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

The Members shall appoint up to 14 with a minimum of 9 Governors provided that the Members may at any time appoint such number of additional Governors who, when combined with any existing Governors under Article 50 of the Memorandum and Articles of Association, shall constitute a majority of the Governors of the Academy Trust and may similarly require the removal from office of any such person and nominate another person in his place provided always that the Bishop of Liverpool shall be an ex-officio Governor under the above Article.

The Members may appoint 2 Staff Governors through such process as they may determine. The LA may appoint the LA Governor. The Principal shall be treated for all purposes as being an ex-officio Governor. There are 3 Parent Governors and they are elected by parents of registered pupils at the Academy at the time of the election.

Governors are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any governor can be re-appointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

When appointing new governors, the Members will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

There is a comprehensive Governor Induction Programme managed by the Chair of Governors that is tailored to the individual and includes briefings by senior staff, tour of the Academy to meet staff and students and papers necessary to the fulfilment of the role.

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**Trustees' Report and Strategic Report (continued)**

**Organisational Structure**

The Governors meet four times per year. They establish an overall framework for the governance of the Academy and determine membership, terms of reference and procedures of Committees and other groups. They receive reports including policies from its Committees for ratification and monitor the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees, meeting termly, all of whom are responsible for Academy policy, practice and performance and monitor aspects of their work by discussion/review/challenge:

1. Finance & Audit Committee – financial management, compliance with reporting and regulatory requirements, review of risk and drafting the annual budget. Receiving reports from the Responsible Officer work carried out.
2. Curriculum & Student Welfare Committee – curriculum planning, target setting, assessment and examinations. Receiving reports from Senior Managers
3. Pay & Personnel Committee – performance management, staffing levels, appointments, salaries, CPD, work-life balance and personnel policies.
4. Premises & Resources Committee – Considering the requirements under the school development plan to the upkeep of the fabric. To apply to the DfE/EFA for additional capital grants. To receive reports from the Whole School Health and Safety Committee.
5. Discipline Committee – meet from time to time, as required to oversee disciplinary procedures.

The following decisions are reserved to the Governors:

To consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Headmaster/Principal and Clerk to the Governors.

The Governors are responsible for setting general policy, adopting a development plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Governors have devolved responsibility for day to day management of the Academy to the Senior Leadership Team.

The Academy has a leadership structure which consists of the Governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

Up to 31<sup>st</sup> August 2014 the Senior Leadership Team (SLT) consisted of the Principal, three Vice Principals, two Assistant Principals and the Director of Finance and Business Administration.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Principal, Director of Finance & Business Administration, and Finance and Audit Committee are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to Budget Holders. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts may often include a Governor.

The Principal is the Accounting Officer.

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**Trustees' Report and Strategic Report (continued)**

**Connected Organisations including Related Party Relationships**

St Margaret's Academy is a member of the Faiths Partnership, which is Collaboration at Sixth Form level of:

- St Margaret's Church of England Academy
- Archbishop Blanch Church of England High School
- St Hilda's Church of England High School
- Bellerive FCJ Catholic College

The Partnership enjoys a common ethos and approach and aims to extend opportunities to all its students by offering a wider range of courses at Post 16 Level. Membership of the Faiths Partnership enables us to offer over 35 A Levels ensuring that a tailored and varied curriculum is available for our students, leading to excellent retention rates and students who are properly equipped for the world ahead.

**Objectives and Activities**

**Objects and Aims**

The Academy is committed to carrying on, managing, and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles and practices and tenets of the Church of England both generally and in particular in relation to arranging religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

The Academy Trust is further committed to:-

- enabling everyone to maximise their intellectual achievement and develop their talents in a wide range of education skills according to each person's abilities: to develop lively enquiring minds;
- to provide a safe supportive and stimulating environment to grow towards a sense of fulfilment;
- to promote physical development and health education;
- to help students to find a true vocation in life to take their place in an increasing global and technological work environment to prepare them for life in the community beyond school and the part they, as individual Christians can come to play in society;
- to generate an enthusiasm for the protection of the environment on a local, national and international level;
- to enhance the concept of partnership between students, parents, staff and the broader community including the church, charitable organisations, primary and tertiary educational institutions, employers, industry and commerce

**Objectives, Strategies and Activities**

The Academy has been at the heart of its community and continues to promote cohesion and sharing its facilities with other schools and the wider community. A number of Primary Schools are involved with the Academy and their children come to share in our facilities looking at Science and Design Technology. As noted above, there is a strong link with other Secondary Schools.

**Public Benefit**

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

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**Trustees' Report and Strategic Report (continued)**

**Strategic Report**

**Achievements and Performance**

The 2014 GCSE results were very encouraging. The main measure for which we are accountable, the proportion of students who achieve five or more higher-grade GCSEs including English and Maths, has seen the 'class of 2014' achieve the best results ever in the school's history with 82% of students achieving this benchmark. The table below puts this achievement in context:

**KS3 Core Subjects: English, Maths, Science (149 students)**

	<b>English</b>	<b>Maths</b>	<b>Science</b>
% attaining Level 5+	96 (92)	91 (90)	97 (93)
% attaining Level 6+	69 (63)	77 (73)	71 (80)
% attaining Level 7+	26 (24)	45 (41)	36 (39)

The nationally expected level at the end of KS3 is Level 5. Foundation subject results are also excellent. 100% (94.8%) of students obtained 5+ Level 5 and 75.8% (77.1%) of students obtained 5+ Level 6.

**External Examination results (All figures are provisional)**

**GCSE (158 students on roll)**

	<b>No of Students</b>	<b>% 2014</b>	<b>% 2013</b>	<b>% 2012</b>	<b>% 2011</b>
Students gaining 5+ A* - C	132	84	81	80	85
Students gaining 5+ A* - C in English & Maths	129	82	77	59	66
Students gaining 5+ A* - G	155	98	99	99	99
Students gaining 1+ A* - G	156	99	99	99	100
Average Point Score per student (Capped best 8 subs)		347	349	346	364
Average Grade per student (Capped best 8 subs)		B-	B-	B-	B-

Not all subjects were examined by GCSE examinations.

**Entry Level Certificate: Spanish and Italian (32 students)**

	<b>Spanish</b>	<b>Italian</b>
% at Entry 3, the highest level	100	100

31 students gained a Foundation Certificate of Secondary Education (FCSE) French – 23 Distinctions and 8 Merits equivalent to GCSE grade D and E respectively.

The overall GCSE results above have been calculated using these equivalences.

**AS Level (Y12 and Y13 students, i.e., 152 in total)**

	<b>% 2014</b>	<b>% 2013</b>	<b>% 2012</b>	<b>% 2011</b>
Grades A & B	22.3	29.9	26.9	24.2
Grades A to E	84.0	94.1	82.3	88.9

**A2 Level (96 students)**

	<b>% 2014</b>	<b>% 2013</b>	<b>% 2012</b>	<b>% 2011</b>
Grades A* to B	31.6	37.8	36.1	32.9
Grades A* to E	98.0	97.6	96.4	96.7
Average Point Score per entry	206 (212)			



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**Trustees' Report and Strategic Report (continued)**

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention when considering restricted reserves. The Academy is keen to ensure that income received in any year is spent for the benefit of those students in the Academy in that year. If there are reserves, they are directed to support future projects for the Academy and for the benefit of the students. The monthly management accounts are generally in line with projected budget spend which is another main indicator.

As funding is based on student numbers this is also a key performance indicator. Student numbers for the funding period ending 31<sup>st</sup> August 2014 were 995 of, which 758 were in years 7-11 and 237 in the Sixth Form. It is anticipated that this number will be maintained in years 7 to 11 but 6<sup>th</sup> Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Management Team, bearing in mind the downward trend of 6<sup>th</sup> Form funding. Current pupil numbers for the 2014/15 academic year have remained at similar levels.

**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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31<sup>st</sup> August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA and is shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31<sup>st</sup> August 2014, total expenditure was covered by recurrent grant funding from the EFA, together with other incoming resources.

At 31<sup>st</sup> August 2014 the net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued at that time. Other assets have been included in the financial statements at a best estimate taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme (Merseyside Pension Fund) in respect of its Support Staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Handbook which lays out the framework for financial management, including financial responsibilities of the Trustees, Principal, managers, budget holders and other staff, as well as delegated authority for spending.

Other policies reviewed and updated included Charges and Risk Management as well as a review of Insurance needs.

Governors have appointed Baker Tilly UK Audit LLP to carry out a programme of additional checks on financial controls. During the period, the Governors received a report from the work carried out by Baker Tilly, which contained no matters of significance.

During the period, the Governors approved short term investment of surplus funds in a high earning bank account, in accordance with the Finance and Audit Committee's authority.

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**Trustees' Report and Strategic Report (continued)**

**Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk Management Policy incorporating a Risk Register. There is also a business continuity plan. These have been discussed by Governors and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, future pupil numbers, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed at year 7, risks to revenue funding from a falling roll are small. However, 6<sup>th</sup> Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Management Team, bearing in mind the reduction in post 16 funding levels, the freeze on the Government's overall education budget, and changes in funding arrangements for special educational needs and increasing employment and premises costs. This means that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Full Governors' and Finance & Audit Committee meetings. The Governors also regularly review cash flow management and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governors recognise that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the financial statements, represents a significant potential liability. However, as the Governors consider that that Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**Reserves Policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate levels of free cash reserves should be adequate to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

During the period the Academy has redesigned the old gymnasium into classrooms for the SEN department. This project included the demolition of some current mobile classrooms as well as the purchase of new furniture, ICT equipment, redesign of the layout of the space for both study and examinations provision. Both Staff and students have felt the benefit of this redesigned facility and feel it has added to the overall ethos of learning.

The restricted pension fund is in deficit to the value of £1,225k (2013: £1,143k) as at 31 August 2014. The trustees will continue to monitor this situation closely.

Governors are satisfied with the level of free reserves held at 31 August 2014 in order to support the academy's ongoing objectives.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements.

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**Trustees' Report and Strategic Report (continued)**

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Director of Finance & Business Administration under approvals by the Governing Body.

**Principal Risks and Uncertainties**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances.

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They maintain systems, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** – the Academy has considerable reliance on continued Government funding through the EFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks. The Governors also see it an essential requirement to have the appropriate expertise on the Governing Body to challenge the Academy and therefore mitigate any risk due to incompetency.

**Reputational** – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed. Governors also see that the Admissions Policy is reviewed each year to review and address the current policy and recommend any changes.

**Safeguarding and child protection** – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protections policies and procedures, health and safety and discipline. The Governors ensure that key staff, along with a selection of Governors attend annual Safeguarding Training. All staff are aware of the importance of maintaining the Academy's Safeguarding procedures.

**Staffing** – the success of the Academy is reliant on the quality of its Staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** – The Academy has appointed Baker Tilly UK Audit LLP to carry out additional checks on financial systems and records as required by the Academy Financial Handbook 2013. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**Plans for Future Periods**

Our primary focus in 2014/2015 is to continue the work to ensure our students make significant progress and achieve high degrees of success in their examinations. This will be achieved by ensuring staff focus on teaching

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**Trustees' Report and Strategic Report (continued)**

and learning strategies, additional CPD for staff and ensuring that Pupil Premium is directed at the most vulnerable students to enable them to progress and achieve in their learning.

The Governors will review the new School Development Plans and consider what reserves are necessary to accomplish further outcomes for teaching and learning, environment and appropriate staffing structure.

Also during the year the Governors have successfully applied for a major capital grant for the installation of a lift to the Sixth Form centre. This work started at the beginning of the Autumn Term and is due to be completed by the end of October 2014.

**Funds Held as Custodian Trustee on Behalf of Others**

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

**Auditor**

Baker Tilly UK Audit LLP has indicated its willingness to be reappointed as the Academy Trust's auditors for the period 2014/2015.

**Statement as to disclosure of information to auditors**

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the Academy's auditor is unaware. 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.

The Trustees' report, incorporating a strategic report, is approved by order of the board of trustees, as the company directors, on 1 December 2014 and signed on the board's behalf by:



**P Oliver**  
Chair of Governors

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**Governance Statement**

**Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that the 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 Governing Body 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. Margaret's Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Governor</b>	<b>Possible</b>	<b>Attended</b>
The Bishop of Liverpool	5	0
Mr Roger Arden	5	4
Mr Stephen Brierley	5	5
Ms Celina Duzant	5	5
Mr John Foulkes	5	5
Dr Carl Gavin	5	4
Rev Ian Greenwood	5	3
Mrs Moira Griffiths-Parr	5	4
Mrs Denise Hart	5	5
Mr Ray Limb	5	4
Mr Andrew McCaldon	5	5
Mr Peter Oliver	5	4
Mr Graham Mansell	5	4
Mr Geoff Pollard	5	4
Mr Paul Pratt	5	3
Mr Brian Stone	5	4
Mrs Marion Thomas	5	4
Mr Terry Van Eker	5	5
Canon Roger Wikeley	5	3
Mr John Woodward	5	5

The office of the Bishop of Liverpool is available to attend meetings from time to time and is represented by the Liverpool Diocesan Education Trust.

On 29<sup>th</sup> October 2014 Dr Carl Gavin resigned as Member and Chair of Governors of the Academy. Geoff Pollard was Acting Chair until 1 December when Peter Oliver was appointed the new Chair of Governors.

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**Governance Statement (continued)**

The Finance and Audit Committee is a committee of the main Governing Body. Its purpose is to monitor the financial administration of the Academy to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Possible</b>	<b>Attended</b>
Mr Stephen Brierley	5	5
Mr John Foulkes	5	4
Dr Carl Gavin	5	5
Mrs Moira Griffiths-Parr	5	5
Mr Geoff Pollard	5	5
Mr John Woodward	5	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 the Academy for the period ended 31<sup>st</sup> August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31<sup>st</sup> August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Baker Tilly UK Audit LLP the external auditor, to perform additional checks. This role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Baker Tilly UK Audit LLP reports to the Governing Body on the operation of the system of control and on the discharge of the Governing Body's financial responsibilities. The work undertaken has been in accordance with the requirements of the financial regulations and there were no items of significance reported.

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Governance Statement (continued)**

**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 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 1 December 2014 and signed on its behalf by:



**P Oliver**  
Chair of Governors



**S Brierley**  
Accounting Officer

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

As accounting officer of St Margaret's Church of England 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 the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

A handwritten signature in black ink, appearing to be 'S Brierley', written in a cursive style.

**S Brierley**  
Accounting Officer

**1 December 2014**



**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Statement of Trustees' Responsibilities**

The trustees (who act as governors of St Margaret's Church of England Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 1 December 2014 and signed on its behalf by:



**P Oliver**  
Chair of Governors

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Independent Auditor's report on the financial statements to the Board of  
Trustees of St Margaret's Church of England Academy**

We have audited the financial statements of St Margaret's Church of England Academy for the year ended 31 August 2014 on pages 18 to 42. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other requirement of the Companies Act 2006**

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

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Independent Auditor's report on the financial statements to the Board of  
Trustees of St Margaret's Church of England Academy**

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

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

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

*Baker Tilly UK Audit LLP*

KEITH WARD (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

Date *15/12/12*

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Statement of Financial Activities for the Year Ended 31 August 2014**  
**(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Un-restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Restated Total 11 months 2013 £'000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income – transfers on conversion		-	-	-	-	13,904
Voluntary income	2	-	17	-	17	19
Activities for generating funds	3	248	15	-	263	229
Investment income	4	1	-	-	1	-
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	5,480	909	6,389	5,204
<b>Total incoming resources</b>		<b>249</b>	<b>5,512</b>	<b>909</b>	<b>6,670</b>	<b>19,356</b>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	117	5,462	289	5,868	5,271
Governance costs	8	-	24	-	24	13
<i>Other resources expended -transfer from local authority on conversion</i>						
		-	-	-	-	1,103
<b>Total resources expended</b>	6	<b>117</b>	<b>5,486</b>	<b>289</b>	<b>5,892</b>	<b>6,387</b>
<b>Net incoming resources before transfers</b>		<b>132</b>	<b>26</b>	<b>620</b>	<b>778</b>	<b>12,969</b>
Gross transfers between funds	16	-	(48)	48	-	-
<b>Net income for the year</b>		<b>132</b>	<b>(22)</b>	<b>668</b>	<b>778</b>	<b>12,969</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) on defined benefit pension schemes	16	-	(21)	-	(21)	(17)
<b>Net movement in funds</b>		<b>132</b>	<b>(43)</b>	<b>668</b>	<b>757</b>	<b>12,952</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2013		212	(910)	13,650	12,952	-
<b>Total funds carried forward at 31 August 2014</b>	16	<b>344</b>	<b>(953)</b>	<b>14,318</b>	<b>13,709</b>	<b>12,952</b>

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

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**


**Balance sheet as at 31 August 2014**

<b>Company number 08160433</b>	<b>Note</b>	<b>2014 £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	<b>2013 £'000</b>
<b>Fixed assets</b>					
Tangible assets	12		<b>14,318</b>		<b>13,512</b>
<b>Current assets</b>					
Stocks	13	<b>4</b>		<b>4</b>	
Debtors	14	<b>335</b>		<b>284</b>	
Cash at bank and in hand		<b>969</b>		<b>435</b>	
		<b>1,308</b>		<b>723</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<b>(692)</b>		<b>(140)</b>	
<b>Net current assets</b>			<b>616</b>		<b>583</b>
<b>Total assets less current liabilities</b>			<b>14,934</b>		<b>14,095</b>
Pension scheme liability	26		<b>(1,225)</b>		<b>(1,143)</b>
<b>Net assets including pension liability</b>			<b>13,709</b>		<b>12,952</b>
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	<b>14,318</b>		<b>13,650</b>	
General fund	16	<b>272</b>		<b>233</b>	
Pension reserve	16	<b>(1,225)</b>		<b>(1,143)</b>	
<b>Total restricted funds</b>			<b>13,365</b>		<b>12,740</b>
<b>Unrestricted income funds</b>					
General fund	16	<b>344</b>		<b>212</b>	
<b>Total unrestricted funds</b>			<b>344</b>		<b>212</b>
<b>Total funds</b>			<b>13,709</b>		<b>12,952</b>

The financial statements on pages 18 to 42 were approved by the trustees, and authorised for issue on 1 December 2014 and are signed on their behalf by:



**P Oliver**  
Chair of Governors



**S Brierley**  
Accounting Officer

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Cash Flow Statement for the Year Ended 31 August 2014**

	Note	2014 £'000	2013 £'000
<b>Net cash inflow from operating activities</b>	20	719	198
Cash transferred on conversion to an academy trust		-	163
Returns on investments and servicing of finance	21	1	-
Capital expenditure	22	(186)	74
		<hr/>	<hr/>
<b>Increase in cash in the year</b>	23	534	435
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		435	-
		<hr/>	<hr/>
<b>Net funds at 31 August 2014</b>		969	435
		<hr/>	<hr/>

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014**

**1 Accounting policies**

**Basis of Preparation**

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

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements.

At the balance sheet date the Academy had net assets of £13,709,000 after providing for long term pension scheme commitments of £1,225,000 in respect of the support staff defined benefit pension scheme.

The Trustees have reviewed and approved budget forecasts for 2014/15 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

**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 grants 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 it is measurable.

▪ **Donations**

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

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**1 Accounting policies (continued)**

▪ **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 academy trust's policies.

▪ **Interest Receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis.

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £1,000 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.



**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**1 Accounting policies (continued)**

**Tangible Fixed Assets (continued)**

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

▪ Long leasehold land	Over the life of the 125 year lease
▪ Long leasehold buildings	50 yrs straight line
▪ Fixtures, fittings and equipment	20% straight line
▪ ICT equipment	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**Leased Assets**

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

**Stock**

Cleaning and catering stocks are valued at the lower of cost or net realisable value.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 2 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

**St Margaret's Church of England Academy  
(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**1 Accounting policies (continued)**

**Pensions Benefits (continued)**

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 Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency 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.

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the year incurred and shown separately within the SOFA.

**Agency Arrangements**

The academy acts as an agent in the administering of 16-19 Bursary Funds from the EFA.

Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the academy does not have a beneficial interest in the individual transactions.

Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**2 Voluntary income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2014</b>	<b>Total 11 months Restated 2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Other donations	-	17	17	19
	<hr/>	<hr/>	<hr/>	<hr/>
	-	17	17	19
	<hr/>	<hr/>	<hr/>	<hr/>

EFA Capital Grants have been included within 'Funding for the Academy Trust's Educational Operations' this year end (note 5). Prior year this was included within voluntary income and has been restated to be consistent with this year.

**3 Activities for Generating funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2014</b>	<b>Total 11 months 2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Hire of facilities	45	-	45	17
Sale of goods and services	-	15	15	-
Catering income	203	-	203	194
Exam income	-	-	-	18
	<hr/>	<hr/>	<hr/>	<hr/>
	248	15	263	229
	<hr/>	<hr/>	<hr/>	<hr/>

**4 Investment income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2014</b>	<b>Total 11 months 2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Short term deposits	1	-	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1	-	1	-
	<hr/>	<hr/>	<hr/>	<hr/>

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**5 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds	Restricted Funds	Total 2014	Total 11 months Restated 2013
	£'000	£'000	£'000	£'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,251	5,251	4,878
Start-up grants	-	-	-	25
Capital grants	-	909	909	161
Other DfE/EFA grants	-	116	116	41
	<hr/>	<hr/>	<hr/>	<hr/>
	-	6,276	6,276	5,105
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Government grants</b>				
Local authority grants	-	17	17	62
Special educational projects	-	-	-	5
	<hr/>	<hr/>	<hr/>	<hr/>
	-	17	17	67
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Non - Government income</b>				
Other income	-	96	96	32
	<hr/>	<hr/>	<hr/>	<hr/>
	-	96	96	32
	<hr/>	<hr/>	<hr/>	<hr/>
	-	6,389	6,389	5,204
	<hr/>	<hr/>	<hr/>	<hr/>

EFA Capital Grants have been included within 'Funding for the Academy Trust's Educational Operations' this year end. Prior year this was included within 'Voluntary Income' (note 2) and has been restated to be consistent with this year.

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**6 Resources expended**

	<b>Staff costs £'000</b>	<b>Non Pay Premises £'000</b>	<b>Expenditure Other £'000</b>	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Academy's educational operations:					
Direct costs	<b>3,631</b>	<b>-</b>	<b>569</b>	<b>4,200</b>	<b>3,847</b>
Allocated support costs	<b>869</b>	<b>283</b>	<b>516</b>	<b>1,668</b>	<b>1,424</b>
	<hr/> <b>4,500</b> <hr/>	<hr/> <b>283</b> <hr/>	<hr/> <b>1,085</b> <hr/>	<hr/> <b>5,868</b> <hr/>	<hr/> <b>5,271</b> <hr/>
 Governance costs including allocated support costs	 <b>-</b>	 <b>-</b>	 <b>24</b>	 <b>24</b>	 <b>13</b>
	<hr/> <b>4,500</b> <hr/>	<hr/> <b>283</b> <hr/>	<hr/> <b>1,109</b> <hr/>	<hr/> <b>5,892</b> <hr/>	<hr/> <b>5,284</b> <hr/>

Incoming/outgoing resources for the year include:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Operating leases	<b>14</b>	<b>9</b>
Fees payable to auditor - audit services	<b>13</b>	<b>12</b>
- other services	<b>2</b>	<b>1</b>
	<hr/> <b>29</b> <hr/>	<hr/> <b>22</b> <hr/>

**St Margaret's Church of England Academy**  
**(A Company Limited by Guarantee)**

**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**7 Charitable activities**

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
<b>Direct costs – educational operations</b>		
Teaching and educational support staff costs	3,631	3,311
Depreciation	289	221
Technology costs	20	26
Educational supplies	72	99
Examination fees	97	100
Staff development	21	4
Educational consultancy	-	6
Other direct costs	70	80
	<u>4,200</u>	<u>3,847</u>
 <b>Support costs – educational operations</b>		
Support staff costs	869	703
Recruitment and support	14	14
Maintenance of premises and equipment	80	71
Cleaning	11	10
Rent and rates	53	44
Energy costs	96	91
Insurance	39	15
Security and transport	16	10
Catering	117	100
Pension finance costs	61	40
Travel and subsistence	14	-
Other support costs	298	326
	<u>1,668</u>	<u>1,424</u>
 <b>Total direct and support costs</b>	<u>5,868</u>	<u>5,271</u>

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**8 Governance costs**

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Auditors' remuneration		
Audit of financial statements	24	12
Accounts Preparation	-	1
	<hr/>	<hr/>
	<b>24</b>	<b>13</b>
	<hr/>	<hr/>

**9 Staff**

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	3,632	3,374
Social security costs	285	224
Pension costs	509	400
	<hr/>	<hr/>
	<b>4,426</b>	<b>3,998</b>
Supply staff costs	44	4
Staff restructuring costs	30	12
	<hr/>	<hr/>
	<b>4,500</b>	<b>4,014</b>
	<hr/>	<hr/>

**b. Staff severance payments**

Included in staff restructuring costs are non-contractual settlement payments totalling £30,000 (2013: nil).

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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**9 Staff (continued)**

**c. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No	2013 No
<b>Charitable activities</b>		
Teachers	61	67
Administrations and support	52	50
Management	6	3
	<hr/> 119	<hr/> 120

**d. Staff numbers**

The number of employees whose emoluments exceeded £60,000 was:

	2014 No	2013 No
£60,001 - £70,000	-	2
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
	<hr/> 1	<hr/> 3

The value of the Principal's remuneration was £93,878 for the year ending 31 August 2014. The above employee participated in the Teachers' Pension Scheme, employer's pension contributions for this employee in the year amounted to £13,237 (2013: £28,543).

**10 Related party Transactions – 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 from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

S Brierley:	£90,000 - £95,000 (2013: £90,000 - £95,000)
J Woodward:	£50,000 - £55,000 (2013: £50,000 - £55,000)
D Hart:	£40,000 - £45,000 (2013: £40,000 - £45,000)

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

Other related party transactions involving the trustees are set out in note 27.

**11 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £827 (2013: £827). The cost of this insurance is included in the total insurance cost.



**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**12 Tangible assets**

	Long leasehold land and buildings £000	Furniture and equipment £000	Computer Equipment £000	Assets Under Construction £000	Total £'000
<i>Cost or valuation</i>					
At 1 September 2013	13,620	60	53	-	13,733
Additions	863	53	27	152	1,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	<b>14,483</b>	<b>113</b>	<b>80</b>	<b>152</b>	<b>14,828</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 September 2013	201	7	13	-	221
Provided for the year	249	17	23	-	289
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	<b>450</b>	<b>24</b>	<b>36</b>	<b>-</b>	<b>510</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 August 2014	<b>14,033</b>	<b>89</b>	<b>44</b>	<b>152</b>	<b>14,318</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2013	13,419	53	40	-	13,512
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Diocese of Liverpool owns the land and buildings from which the academy operates. The academy has entered into an agreement with the Diocese, whereby the Diocese has agreed to make available the land and buildings in perpetuity.

The terms of this agreement transfers substantially all the risks and rewards of ownership of the land and buildings to the academy trust and consequently the assets are recognised as a fixed asset.

Included in land and buildings is a land value of £2,636,440 which is depreciated over the 125 year lease agreement.

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**13 Stocks**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Cleaning	1	1
Catering	3	3
	<hr/>	<hr/>
	<b>4</b>	<b>4</b>
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

**14 Debtors**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Trade debtors	24	21
VAT recoverable	93	151
Other debtors	-	42
Prepayments and accrued income	218	70
	<hr/>	<hr/>
	<b>335</b>	<b>284</b>
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

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

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Trade creditors	252	70
Taxation and social security	82	-
Other creditors	140	-
Accruals and deferred income	218	70
	<hr/>	<hr/>
	<b>692</b>	<b>140</b>
	<hr/>	<hr/>

**Deferred income**

	<b>2014</b> <b>£'000</b>
Deferred income at 1 September 2013	18
Resources deferred in the year	-
Amounts released from previous years	(18)
	<hr/>
Deferred income at 31 August 2014	-
	<hr/>

At the balance sheet date the academy trust held school fund deposits relating to the next financial year.

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**16 Funds**

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	233	5,251	(5,278)	(48)	158
Start-up Grant	-	-	-	-	-
Other DfE/EFA grants	-	116	(116)	-	-
Other restricted	-	145	(31)	-	114
Pension reserve	(1,143)	-	(61)	(21)	(1,225)
	<u>(910)</u>	<u>5,512</u>	<u>(5,486)</u>	<u>(69)</u>	<u>(953)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	138	909	(40)	-	1,007
Capital expenditure from GAG	87	-	-	48	135
Transfer from local authority on conversion	13,425	-	(249)	-	13,176
	<u>13,650</u>	<u>909</u>	<u>(289)</u>	<u>48</u>	<u>14,318</u>
<b>Total restricted funds</b>	<u>12,740</u>	<u>6,421</u>	<u>(5,775)</u>	<u>(21)</u>	<u>13,365</u>
<b>Unrestricted funds</b>					
Unrestricted funds	212	249	(117)	-	344
<b>Total unrestricted funds</b>	<u>212</u>	<u>249</u>	<u>(117)</u>	<u>-</u>	<u>344</u>
<b>Total funds</b>	<u>12,952</u>	<u>6,670</u>	<u>(5,892)</u>	<u>(21)</u>	<u>13,709</u>

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

**(a) Restricted General Fund**

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education Funding Agency (EFA). Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other EFA grants are grants from the EFA which can only be utilised for the purpose intended.

The Pension reserve is the deficit in the Local Government Pension Scheme. The restricted pension fund is in deficit to the value of £1,225k as at 31 August 2014. The Trustees will continue to monitor this situation closely.

**(b) Restricted Fixed Asset Fund**

This includes fixed assets transferred on Academy conversion, together with capital grants.

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**(c) Unrestricted Funds**

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached.

A total of £48k of restricted funds has been transferred to the restricted fixed assets fund to represent fixed assets purchased out of GAG income.

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

**17 Analysis of net assets between funds**

Fund balances at 31 August 2014 are represented by:

	<b>Unrestricted funds £'000</b>	<b>Restricted general funds £'000</b>	<b>Restricted fixed asset funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	-	-	14,318	14,318
Current assets	344	964	-	1,308
Current liabilities	-	(540)	(152)	(692)
Pension scheme liability	-	(1,225)	-	(1,225)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total net assets</b>	<b>344</b>	<b>(801)</b>	<b>14,166</b>	<b>13,709</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**18 Capital commitments**

	<b>2014 £'000</b>	<b>2013 £'000</b>
Contracted for, but not provided in the financial statements	245	138
	<hr/>	<hr/>

**19 Financial commitments**

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

	<b>2014 £000</b>	<b>2013 £000</b>
<b>Other</b>		
Expiring with two and five years inclusive	14	14
	<hr/>	<hr/>
	<b>14</b>	<b>14</b>
	<hr/>	<hr/>

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**20 Reconciliation of net income to net cash inflow from operating activities**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Net income	778	12,969
Cash transferred on conversion to an academy trust	-	(163)
Assets inherited on conversion	-	(13,646)
Depreciation (note 13)	289	221
Capital grants from DfE and other capital income	(909)	(161)
Interest receivable	(1)	-
FRS 17 pension cost less contribution payable (note 27)	61	(17)
FRS 17 pension finance income (note 27)	-	40
(Increase)/decrease in stocks	-	(4)
(increase)/decrease in debtors	(51)	(284)
Increase/(decrease) in creditors	552	140
LGPS deficit pension on conversion	-	1,103
	<hr/>	<hr/>
	719	198
	<hr/>	<hr/>

**21 Returns on investments and servicing of finance**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	1	-
	<hr/>	<hr/>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>1</b>	<b>-</b>
	<hr/>	<hr/>

**22 Capital expenditure and financial investment**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Purchase of tangible fixed assets	(1,095)	(87)
Capital grants from DfE/EFA	909	161
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
	<hr/>	<hr/>
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(186)</b>	<b>74</b>
	<hr/>	<hr/>

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**23 Analysis of changes in net debt**

	<b>At 1 September 2013 £'000</b>	<b>Cash flow £'000</b>	<b>At 31 August 2014 £'000</b>
Cash in hand and at bank	435	534	969
	<hr/>	<hr/>	<hr/>
	435	534	969
	<hr/>	<hr/>	<hr/>

**24 Contingent liabilities**

There were no contingent liabilities at the year ended 31 August 2014.

**25 Member's liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £100 for the debts and liabilities contracted before he/she ceases to be a member.

**St Margaret's Church of England Academy  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Merseyside Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations (*continued*)**

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

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.

**Teachers' Pension Scheme Changes**

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



**St Margaret's Church of England Academy  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £154,000, of which employer's contributions totalled £119,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are in the process of being agreed.

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.

<b>Principal actuarial assumptions</b>	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.6</b>	<b>3.9</b>
Rate of increase for pensions in payment/inflation	<b>2.1</b>	<b>2.4</b>
Discount rate for scheme liabilities	<b>3.9</b>	<b>4.5</b>
Inflation assumption (CPI)	<b>2.1</b>	<b>2.4</b>
Commutation of pensions to lump sums	<b>50%</b>	<b>50%</b>

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

<i>Retiring today</i>	<b>2014</b>	<b>2013</b>
Males	<b>22.3yrs</b>	<b>21.8yrs</b>
Females	<b>25.2yrs</b>	<b>24.7yrs</b>
<i>Retiring in 20 years</i>		
Males	<b>24.7yrs</b>	<b>23.7yrs</b>
Females	<b>28yrs</b>	<b>26.6yrs</b>

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000
Equities	7.0	413	7.0	259
Bonds	3.4	110	3.9	81
Property	6.2	54	5.7	38
Cash/liquidity	0.5	30	0.5	9
Other	7.0	80	7.0	68
		<u>687</u>		<u>455</u>
<b>Total market value of assets</b>				
Present value of scheme liabilities				
Funded		(1,912)		(1,598)
<b>Deficit in the scheme</b>		<u>(1,225)</u>		<u>(1,143)</u>

The expected rate of return on plan assets is based on market expectations at the beginning of the period, or investment returns over the life of the related obligation. The assumption used is the average of the above assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The actual return on scheme assets was £61,000 (2013: £50,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Current service cost (net of employee contributions)	135	94
Past service cost	-	-
	<u>135</u>	<u>94</u>
<b>Total operating charge</b>	<u>135</u>	<u>94</u>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	30	18
Interest on pension liabilities	(75)	(58)
	<u>(45)</u>	<u>(40)</u>
<b>Pension finance costs</b>	<u>(45)</u>	<u>(40)</u>

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £38,000 loss (2013: £17,000 loss).

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Upon conversion to Academy status</b>	-	1,398
<b>At 1 September</b>	<b>1,598</b>	-
Current service cost	135	94
Interest cost	75	58
Employee contributions	35	29
Actuarial (gain)/loss	106	49
Benefits paid	(37)	(30)
Past service cost	-	-
Curtailments and settlements	-	-
	<hr/>	<hr/>
<b>At 31 August</b>	<b>1,912</b>	<b>1,598</b>
	<hr/>	<hr/>
<b>Movements in the fair value of academy's share assets:</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Upon conversion to Academy status</b>	-	295
<b>At 1 September</b>	<b>455</b>	-
Expected return on assets	30	18
Actuarial (gain)/loss	85	32
Employer contributions	119	111
Employee contributions	35	29
Benefits paid	(37)	(30)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>687</b>	<b>455</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £163,000.

**St Margaret's Church of England Academy**  
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**Notes Forming Part of the Financial Statements for the Year Ended 31 August 2014 (continued)**

**26 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Presented value of defined benefit obligations</b>	<b>(1,912)</b>	<b>(1,598)</b>
<b>Fair value of share of scheme assets</b>	<b>687</b>	<b>455</b>
	<hr/>	<hr/>
<b>Deficit in the scheme</b>	<b>(1,225)</b>	<b>(1,143)</b>
	<hr/>	<hr/>
<b>Experience adjustments on share of scheme assets</b>	<b>85</b>	<b>32</b>
<b>Experience adjustments on scheme liabilities</b>	<b>18</b>	<b>nil</b>

**27 Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

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