

Company Registration No 07694573 (England and Wales)

**ST CATHERINE'S CATHOLIC SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

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# ST CATHERINE'S CATHOLIC SCHOOL

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# ST CATHERINE'S CATHOLIC SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

P M Slonecki (Head Teacher) \*  
B Aleppo (Foundation) \*  
J Husband (Foundation) (Resigned 30 November 2013) \*  
K Laponder (Foundation - Vice Chair of Governors) \*  
M Lyons (Foundation) \*  
J McGill (Foundation) (Appointed 1 September 2012 and resigned 31 July 2013)  
M Totman (Foundation)  
S Wheeler (Foundation)  
B Connell (Foundation - Parent - Chair of Governors)  
P Gannaway (Foundation - Parent)  
M Hawkins (Foundation - Parent) (Resigned 30 November 2013) \*  
G Houghton-Boyle (Parent)  
M Redgrave (Parent)  
M Ross (Parent)  
I Connors (Staff) (Resigned 31 August 2013)  
R Fernandez (Staff) \*  
Y Uttley-Wright (Staff) \*  
T Gladwin (Foundation) (Resigned 14 November 2012) \*  
T Grant (Staff) (Appointed 1 September 2013)  
S Smith (Foundation) (Appointed 1 September 2013)  
V Fanawopo (Foundation) (Appointed 1 September 2013)

\* Members of the Finance and Staffing Committee

### Senior management team

P Slonecki	- Head Teacher
J Strong	- Deputy Head Teacher
S Hayes	- Deputy Head Teacher
A Alemdar	- Director of Personalisation
D Cunningham	- Director of Inclusion
P Kershaw	- Director of Learning
A Tomlinson	- Director of Teaching and Learning
R Fernandez	- Business and Finance Manager

### Company Secretary

W Creasy - Clerk to the Governors

### Company registration number

07694573 (England and Wales)

### Registered office

Watling Street  
Bexleyheath  
Kent  
DA6 7QJ  
United Kingdom

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# ST CATHERINE'S CATHOLIC SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
<b>Bankers</b>	Lloyds TSB Bank PLC 78 New Road Gravesend Kent DA11 0AR
<b>Solicitors</b>	Stone King LLP 16 St John's Lane London EC1M 4BS

# ST CATHERINE'S CATHOLIC SCHOOL

## TRUSTEES' REPORT

**FOR THE YEAR 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 1 September 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 Catherine's Catholic School are also the directors of the charitable company for the purposes of company law and they are the governors of the Academy.

The charitable company is known as St Catherine's Catholic School.

Details of the trustees who served during the year are included in the Reference and Administrative Details included at the front of these accounts.

The trustees of St Catherine's Catholic School are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Principal activities

The principal activity of the company is the operation of a state-funded Academy, St Catherine's Catholic School, providing a state education for students aged 11 to 16.

#### 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,

- a) Up to three initial governors appointed on incorporation,
- b) Up to eight governors appointed by the Governors,
- c) Up to three staff governors elected by the staff,
- d) Up to three parent governors elected by parents,
- e) The Principal is an ex-officio Governor,
- f) Further governors may be appointed by the Secretary of State.

In respect of those appointed by the governors, ((b), above) 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. The Academy also purchases the Governor Training Scheme run by the local authority.

# ST CATHERINE'S CATHOLIC SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Organisational structure

The Board of Trustees, 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 five committees,

- Finance and Staffing Committee
- Premises and Buildings Committee
- Curriculum Committee
- Admissions Committee
- Pay Committee

The Finance and Staffing Committee also fulfils the functions of an Audit Committee

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

Trustees 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 Principal, supported by the Senior Leadership Team

The Principal is the Accounting Officer and the Business and Finance Manager is the Principal Finance Officer

### Risk management

The Trustees 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 Trustees

### Connected organisations and related party relationships

The Academy has no connected organisations

### **Objectives and activities**

#### Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of St Catherine's Catholic School, 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,

- For all students to make at least good progress from KS2-KS4 in all areas of the curriculum
  - All learning experiences provide challenge for all students and all lessons are at least good, if not outstanding
  - The vibrant ethos of the school community enables a climate of learning where all feel safe, valued and respected
  - All leaders and governors work effectively to secure improvement and development to sustain high standards and excellence
  - To nurture our students to become aspirational women with an awareness of the world and the positive contribution they can make to it
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# ST CATHERINE'S CATHOLIC SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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### 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

### **Achievements and performance**

#### Achievements in the year

- The school has enjoyed a very successful year. Exam results were very good. At GCSE 80.5% (2012 69%) of students attained 5 or more grades A\* - C including English and Maths
- SSAT awards
  - Top 20% schools nationally for progress
  - Top 20% schools nationally for attainment
- Awarded Leading Edge School status
- The Arts continue to thrive at the school with a number of productions, concerts and an Art exhibition

#### Key performance indicators

**Solvency** The ratio of current assets current liabilities was 3.831 (2012 4.041), current assets are nearly four times the amount of current liabilities

**Cost Control Measures** Staff costs as a % of total GAG income was 79.2% (2012 78.9%) Staff costs as a % of total funding for educational operations was 74.5% (2012 76.7%)

**Revenue General Funds** remaining at year end was £155k (2012 £155k)

#### Going concern

After making appropriate enquiries, the board of governors 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**

At 31st August 2013 the net book value of fixed assets was £9,033k (2012 £9,290k) and details are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy held fund balances at 31 August 2013 of £9,431k (2012 £9,547k) comprising a fixed asset fund of £9,033k (2012 £9,290k), a deficit on the FRS 17 LGPS fund of £(572k), (2012 £(645k)), restricted general funds of £191k (2012 £155k) and an unrestricted fund of £779k (2012 £747k).

The fixed asset fund comprises two elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £9,033k (2012 £9,290k). The second element is available for spending on specific capital projects, representing the unspent balance of capital grants of £nil (2012 £nil).

The pension fund deficit is due to be repaid over the long term, in accordance with advice given by scheme actuaries. Note 16 to the accounts gives further analysis of the funds held at 31 August 2013.

# ST CATHERINE'S CATHOLIC SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

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#### 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 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.

#### 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 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 continue to improve excellent educational standards.

More specifically, over the next twelve months we plan to build an extension to the existing Gym which will provide additional learning space and multi gym facilities for PE as well as a dedicated classroom, this area will also provide much needed additional dining facilities.

The rolling programme of upgrading all our computers in the school on a four year cycle continues, as well as redecorating of all areas.

We also plan to replace boilers in our Central and Science blocks with eco condensing units and to also put in across the whole school campus, a tannoy address system to ensure key information, including health and safety messages, are received by all students and staff effectively and promptly.

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

At the period ended 31st August 2012, the Academy (banker school) held £6,208 representing funds held, as custodian trustees, on behalf of the Bexley Association of Secondary Leaders (BASL). Additional income of £712 was received and £5,336 of these funds was spent during the period to 31 August 2013, meaning that a balance of £1,584 was held by the charitable company at the period end.



# ST CATHERINE'S CATHOLIC SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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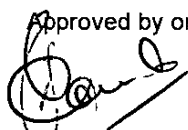
### **Auditor**

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 of Trustees on 16 December 2013 and signed on its behalf by



B Connell

**Chair of Governors**

# ST CATHERINE'S CATHOLIC SCHOOL

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

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### Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that St Catherine's Catholic 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 of Trustees has delegated the day-to-day responsibility to P M Slonecki, the Head Teacher, 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 Catherine's Catholic School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
P M Slonecki (Head Teacher)	4	4
B Aleppo (Foundation)	4	4
J Husband (Foundation) (Resigned 30 November 2013)	3	4
K Laponder (Foundation - Vice Chair of Governors)	4	4
M Lyons (Foundation)	4	4
J McGill (Foundation) (Appointed 1 September 2012 and resigned 31 July 2013)	1	4
M Totman (Foundation)	2	4
S Wheeler (Foundation)	2	4
B Connell (Foundation - Parent - Chair of Governors)	4	4
P Gannaway (Foundation - Parent)	4	4
M Hawkins (Foundation - Parent) (Resigned 30 November 2013)	0	4
G Houghton-Boyle (Parent)	4	4
M Redgrave (Parent)	2	4
M Ross (Parent)	3	4
I Connors (Staff) (Resigned 31 August 2013)	4	4
R Fernandez (Staff)	4	4
Y Uttley-Wright (Staff)	3	4
T Gladwin (Foundation) (Resigned 14 November 2012)	0	1
T Grant (Staff) (Appointed 1 September 2013)	0	0
S Smith (Foundation) (Appointed 1 September 2013)	0	0
V Fanawopo (Foundation) (Appointed 1 September 2013)	0	0

# ST CATHERINE'S CATHOLIC SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist and support the Governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources.

There is no requirement for a dedicated Audit Committee, the Finance and Staffing Committee fulfils this function.

- Details (if applicable) of any particular Governance challenges that have arisen during the year
- Long term absence of Chair of Finance
- The committee structure was reviewed in April 2012 and revised membership of now finance and premises committee agreed September 2013
- We have a service level agreement with the Bexley Finance Support Service to carry out termly internal audits and control checks on behalf of our Responsible Officer
- External audit recommendations (two medium and one low priority) in respect of accounting and internal control systems, have been addressed

Attendance at meetings in the year was as follows

Trustees	Meetings attended	Out of possible
P M Slonecki (Head Teacher)	4	4
B Aleppo (Foundation)	3	4
J Husband (Foundation) (Resigned 30 November 2013)	4	4
K Laponder (Foundation - Vice Chair of Governors)	4	4
M Lyons (Foundation)	4	4
M Hawkins (Foundation - Parent) (Resigned 30 November 2013)	1	4
R Fernandez (Staff)	4	4
Y Uttley-Wright (Staff)	3	4
T Gladwin (Foundation ) (Resigned 14 November 2012)	1	4

#### 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 Catherine's Catholic School for the period 1 September 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 1 September 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 CATHERINE'S CATHOLIC SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR 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 of Trustees,
- regular reviews by the finance and staffing committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed B Connell, a Governor, as responsible officer (RO)

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 of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees

### Review of effectiveness

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

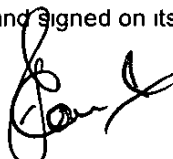
- the work of the Responsible Officer,
- the work of the External Auditor,
- the financial management and governance self-assessment process,
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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 staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the Board of Trustees on 16 December 2013 and signed on its behalf by



P M Slonecki  
Accounting Officer



B Connell  
Chair of Governors

## **ST CATHERINE'S CATHOLIC SCHOOL**

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

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As accounting officer of St Catherine's Catholic School 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 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 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. One instance of irregularity (a payment with insufficient authorisation) has been notified to the board of trustees and to the EFA. The trustees did subsequently ratify the payment.

Approved on 16 December 2013 and signed by



P M Slonecki  
**Accounting Officer**

# ST CATHERINE'S CATHOLIC SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who also act as governors for St Catherine's Catholic School and are also the directors of St Catherine's Catholic 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

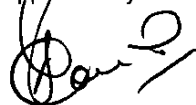
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 of Trustees on 16 December 2013 and signed on its behalf by



B Connell  
Chair of Governors

# **ST CATHERINE'S CATHOLIC SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ST CATHERINE'S CATHOLIC SCHOOL**

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We have audited the accounts of St Catherine's Catholic School for the year ended 31 August 2013 set out on pages 17 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 12, the Trustees, who are also the directors of St Catherine's Catholic 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 year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006, and

have been prepared in accordance with the Academies Accounts Direction 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 year for which the accounts are prepared is consistent with the accounts.

# **ST CATHERINE'S CATHOLIC SCHOOL**

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

### **TO THE MEMBERS OF ST CATHERINE'S CATHOLIC 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 15 January 2014



# **ST CATHERINE'S CATHOLIC SCHOOL**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST CATHERINE'S CATHOLIC SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 01 November 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 Catherine's Catholic School during the period 1 September 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 Catherine's Catholic 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 Catherine's Catholic 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 Catherine's Catholic School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Catherine's Catholic School's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of St Catherine's Catholic School's funding agreement with the Secretary of State for Education dated 01 December 2011 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 1 September 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 there from.

# **ST CATHERINE'S CATHOLIC SCHOOL**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST CATHERINE'S CATHOLIC SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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### **Conclusion**

In the course of our work, except for the matter below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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

The statement on regularity, propriety and compliance refers to a payment that had been made with insufficient authorisation at the time. We have no reason to think that this was improper or non-compliant with the EFA's or Parliament's authorities. To the extent that the payment bypassed the academy's own authorisation processes, it was irregular although following further enquiries, it has subsequently been ratified by the trustees and notified to the EFA.

**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 15 January 2014

# ST CATHERINE'S CATHOLIC SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2013 £'000	Total 2012 £'000
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	3	4	231	-	235	147
- Inherited on conversion		-	-	-	-	10,557
- Activities for generating funds	4	5	-	-	5	4
- Investment income	5	6	-	-	6	2
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	17	5,698	64	5,779	4,149
<b>Total incoming resources</b>		<b>32</b>	<b>5,929</b>	<b>64</b>	<b>6,025</b>	<b>14,859</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	7	-	269	-	269	988
<i>Charitable activities</i>						
- Educational operations	8	-	5,661	261	5,922	4,171
Governance costs	9	-	39	-	39	35
<b>Total resources expended</b>	<b>7</b>	<b>-</b>	<b>5,969</b>	<b>261</b>	<b>6,230</b>	<b>5,194</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>32</b>	<b>(40)</b>	<b>(197)</b>	<b>(205)</b>	<b>9,665</b>
Gross transfers between funds		-	60	(60)	-	-
<b>Net income/(expenditure) for the year</b>		<b>32</b>	<b>20</b>	<b>(257)</b>	<b>(205)</b>	<b>9,665</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	89	-	89	(118)
<b>Net movement in funds</b>		<b>32</b>	<b>109</b>	<b>(257)</b>	<b>(116)</b>	<b>9,547</b>
Fund balances at 1 September 2012		747	(490)	9,290	9,547	-
<b>Fund balances at 31 August 2013</b>		<b>779</b>	<b>(381)</b>	<b>9,033</b>	<b>9,431</b>	<b>9,547</b>

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

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

# ST CATHERINE'S CATHOLIC SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013		2012	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		9,033		9,290
<b>Current assets</b>					
Debtors	13	32		10	
Cash at bank and in hand		1,293		1,189	
		<u>1,325</u>		<u>1,199</u>	
Creditors amounts falling due within one year	14	(355)		(297)	
<b>Net current assets</b>			970		902
<b>Total assets less current liabilities</b>			10,003		10,192
Defined benefit pension liability	18		(572)		(645)
<b>Net assets</b>			<u>9,431</u>		<u>9,547</u>
<b>Funds of the Academy Trust</b>					
<b>Restricted income funds</b>	16				
- Fixed asset funds			9,033		9,290
- General funds			191		155
- Pension reserve			(572)		(645)
<b>Total restricted funds</b>			<u>8,652</u>		<u>8,800</u>
<b>Unrestricted funds</b>	16		779		747
<b>Total funds</b>			<u>9,431</u>		<u>9,547</u>

The accounts were approved by order of the Board of Trustees and authorised for issue on 16 December 2013



B Connell  
Chair of Governors

Company Number 07694573

# ST CATHERINE'S CATHOLIC SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

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	Notes	2013 £'000	2012 £'000
Net cash inflow/(outflow) from operating activities	19	38	1,193
<b>Returns on investments and servicing of finance</b>			
Investment income		6	2
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		6	2
		44	1,195
<b>Capital expenditure and financial investments</b>			
Capital grants received		64	32
Payments to acquire tangible fixed assets		(4)	(38)
<b>Net cash flow from capital activities</b>		60	(6)
<b>Increase/(decrease) in cash</b>	20	104	1,189

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# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

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

##### Donations

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

##### 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.

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# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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**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 £4,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold land is not depreciated

Freehold buildings	2% Straight Line
Plant and Machinery	20% Straight Line
ICT / Computer equipment	33 33% Straight Line
Motor vehicles	20% Straight Line

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

---

### 1 Accounting policies

(Continued)

The Academy has purchased a Canopy which has a useful life of 30 years, therefore this asset is depreciated over 30 years

#### Fixed Asset Transfer from the Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below

#### Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at a nominal value of £1

#### Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings

#### Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities

### 16 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

### 17 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

### 18 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 CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR 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 18, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

#### 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 or 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.

### 3 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Other income	4	231	235	147

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 4 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Hire of facilities	5	-	5	4
	<u>5</u>	<u>-</u>	<u>5</u>	<u>4</u>

### 5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Short term deposits	6	-	6	2
	<u>6</u>	<u>-</u>	<u>6</u>	<u>2</u>

### 6 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	5,434	5,434	4,031
Capital grants	-	64	64	32
Other DfE / EFA grants	-	168	168	41
	<u>-</u>	<u>5,666</u>	<u>5,666</u>	<u>4,104</u>
<b>Other government grants</b>				
Local authority grants	-	53	53	21
	<u>-</u>	<u>53</u>	<u>53</u>	<u>21</u>
<b>Other funds</b>				
Other incoming resources	17	43	60	24
	<u>17</u>	<u>43</u>	<u>60</u>	<u>24</u>
<b>Total funding</b>	<u>17</u>	<u>5,762</u>	<u>5,779</u>	<u>4,149</u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

7 Resources expended	Staff costs £'000	Premises £'000	Other costs £'000	Total 2013 £'000	Total 2012 £'000
<b>Academy's educational operations</b>					
- Direct costs	3,571	209	605	4,385	3,235
- Allocated support costs	733	453	351	1,537	936
	<u>4,304</u>	<u>662</u>	<u>956</u>	<u>5,922</u>	<u>4,171</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	269	269	988
Governance costs	-	-	39	39	35
	<u>-</u>	<u>-</u>	<u>308</u>	<u>308</u>	<u>1,023</u>
<b>Total expenditure</b>	<u>4,304</u>	<u>662</u>	<u>1,264</u>	<u>6,230</u>	<u>5,194</u>
<b>Incoming/outgoing resources for the year include</b>				<b>2013</b>	<b>2012</b>
				<b>£'000</b>	<b>£'000</b>
Operating leases				24	25
Fees payable to auditor					
- Audit				7	5
- Other services				5	4
				<u>7</u>	<u>4</u>

# ST CATHERINE'S CATHOLIC SCHOOL

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

### 8 Charitable activities - the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,571	3,571	2,644
Depreciation	-	209	209	157
Technology costs	-	184	184	129
Educational supplies and services	-	284	284	217
Examination fees	-	85	85	60
Staff development	-	20	20	13
Educational consultancy	-	7	7	5
Other direct costs	-	25	25	10
	-	4,385	4,385	3,235
<b>Allocated support costs</b>				
Support staff costs	-	733	733	538
Depreciation	-	52	52	39
Recruitment and support	-	31	31	15
Maintenance of premises and equipment	-	401	401	107
Cleaning	-	12	12	8
Energy costs	-	80	80	67
Rent and rates	-	47	47	34
Insurance	-	33	33	24
Security and transport	-	18	18	10
Catering	-	38	38	32
Interest and finance costs	-	15	15	13
Other support costs	-	77	77	49
	-	1,537	1,537	936
<b>Total costs</b>	-	5,922	5,922	4,171

### 9 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Legal and professional fees	-	23	23	26
Auditor's remuneration				
- Audit of financial statements	-	7	7	5
- Other non audit costs	-	9	9	4
	-	39	39	35

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 10 Staff costs

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

	2013 Number	2012 Number
Teachers	58	59
Administration and support	38	40
Management	6	6
	<u>102</u>	<u>105</u>

Costs included within the accounts	2013 £'000	2012 £'000
Wages and salaries	3,451	2,632
Social security costs	262	193
Other pension costs	450	300
	<u>4,163</u>	<u>3,125</u>
Supply teacher costs	141	57
	<u>4,304</u>	<u>3,182</u>

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

	2013 Number	2012 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
	<u>3</u>	<u>3</u>

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

		2013	2012
Teachers' Pension Scheme	Numbers	3	3
	£'000	34	26
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 11 Trustees' remuneration and expenses

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the year travel and subsistence payments totalling £1,627 (2012 £3,027) were reimbursed to 1 Governor (2012 1 Governor).

The value of Trustees' remuneration was as follows (2012 represents a 9 month period)

P Slonecki (Head Teacher) £110,000 - £115,000 (2012 £110,000-£115,000)  
 B Aleppo (Staff Governor) £5,000 - £10,000 (2012 £0-£5,000)  
 I Connors (Staff Governor) £50,000 - £55,000 (2012 £35,000-£40,000)  
 R Fernandez (Staff Governor) £55,000 - £60,000 (2012 £35,000-£40,000)  
 Y Uttley-Wright (Staff Governor) £45,000 - £50,000 (2012 £30,000-£35,000)

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 £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £600.

#### 12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and Fittings	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 September 2012	9,476	10	9,486
Additions	-	4	4
At 31 August 2013	9,476	14	9,490
<b>Depreciation</b>			
At 1 September 2012	194	2	196
Charge for the year	259	2	261
At 31 August 2013	453	4	457
<b>Net book value</b>			
At 31 August 2013	9,023	10	9,033
At 31 August 2012	9,282	8	9,290

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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<b>13 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors	32	4
Prepayments and accrued income	-	6
	<u>32</u>	<u>10</u>
	<u><u>32</u></u>	<u><u>10</u></u>
<b>14 Creditors amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Taxes and social security costs	88	87
Accruals	239	167
Deferred income	28	43
	<u>355</u>	<u>297</u>
	<u><u>355</u></u>	<u><u>297</u></u>
<b>15 Deferred income</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within		
Creditors due within one year	28	43
	<u>28</u>	<u>43</u>
Total deferred income at 1 September 2012	43	-
Amounts credited to the statement of financial activities	(43)	-
Amounts deferred in the year	28	43
	<u>28</u>	<u>43</u>
<b>Total deferred income at 31 August 2013</b>	<u><u>28</u></u>	<u><u>43</u></u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 16 Funds

	Balance at 1 September 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	84	5,434	(5,463)	60	115
Other DfE / EFA grants	-	168	(168)	-	-
Other government grants	-	53	(53)	-	-
Other restricted funds	71	274	(269)	-	76
	<u>155</u>	<u>5,929</u>	<u>(5,953)</u>	<u>60</u>	<u>191</u>
Funds excluding pensions					
Pension reserve	(645)	-	(16)	89	(572)
	<u>(490)</u>	<u>5,929</u>	<u>(5,969)</u>	<u>149</u>	<u>(381)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	64	-	(64)	-
Inherited fixed asset fund	9,290	-	(261)	-	9,029
Capital expenditure from GAG or other funds	-	-	-	4	4
	<u>9,290</u>	<u>64</u>	<u>(261)</u>	<u>(60)</u>	<u>9,033</u>
<b>Total restricted funds</b>	<u>8,800</u>	<u>5,993</u>	<u>(6,230)</u>	<u>89</u>	<u>8,652</u>
<b>Unrestricted funds</b>					
General funds	747	32	-	-	779
	<u>747</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>779</u>
<b>Total funds</b>	<u>9,547</u>	<u>6,025</u>	<u>(6,230)</u>	<u>89</u>	<u>9,431</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

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



# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 17 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>				
Tangible fixed assets	-	-	9,033	9,033
Current assets	1,134	191	-	1,325
Creditors amounts falling due within one year	(355)	-	-	(355)
Defined benefit pension liability	-	(572)	-	(572)
	<u>779</u>	<u>(381)</u>	<u>9,033</u>	<u>9,431</u>

### 18 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bexley 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

Contributions amounting to £nil (2012 £10,566) were payable to the schemes at 31 August and are included within creditors

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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 CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 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 CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 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 13.3% per cent for employers and between 5.5% and 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £130k.

The employer's contribution rate includes additional lump sum contributions assessed by actuaries every three years which are designed to eliminate the pension fund deficit over a 10 year period.

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	2012 £'000
Employer's contributions	132	85
Employees' contributions	40	29
Total contributions	<u>172</u>	<u>114</u>

#### Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	3.90	3.70
Rate of increase for pensions in payment	2.40	2.20
Discount rate for scheme liabilities	4.50	4.30
Inflation assumption (CPI)	<u>2.40</u>	<u>2.20</u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

#### Sensitivity Analysis

Scheme liabilities have been valued at £1,607k (2012 £1,395k) 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 £1,576k (2012 £1,368k)

If the inflation rate used were to increase by 0.1%, liabilities would be measured at £1,638k (2012 £1,422k)

If the mortality rate were to increase by a year, liabilities would be measured at £1,635k (2012 £1,419k)

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

	<b>2013 Years</b>	<b>2012 Years</b>
Retiring today		
- Males	22	22
- Females	25	25
Retiring in 20 years		
- Males	24	24
- Females	27	27
	<u>          </u>	<u>          </u>

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

	<b>2013 Expected return %</b>	<b>2013 Fair value £'000</b>	<b>2012 Expected return %</b>	<b>2012 Fair value £'000</b>
Equities	7.00	663	7.00	453
Bonds	3.90	103	2.95	82
Property	5.70	93	6.00	49
Other assets	3.75	176	3.75	166
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total market value of assets		1,035		750
Present value of scheme liabilities - funded		(1,607)		(1,395)
		<u>          </u>		<u>          </u>
Net pension asset / (liability)		(572)		(645)
		<u>          </u>		<u>          </u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

#### Assumptions on expected rate

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

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

	2013 £'000	2012 £'000
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(49)	(29)
Interest on pension liabilities	64	42
	<u>15</u>	<u>13</u>
<b>Other expenditure/(income)</b>		
Current service cost	133	79
Past service cost	-	-
	<u>133</u>	<u>79</u>
<b>Total operating charge/(income)</b>	<u>148</u>	<u>92</u>

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

	2013 £'000	2012 £'000
Actuarial (gains)/losses on assets actual return less expected	(89)	(27)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	145
<b>Total (gains)/losses</b>	<u>(89)</u>	<u>118</u>
Cumulative (gains)/losses to date	<u>29</u>	<u>118</u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

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

	2013 £'000	2012 £'000
Opening defined benefit obligations	(1,395)	-
Obligations acquired on conversion	-	(1,100)
Current service cost	(133)	(79)
Interest cost	(64)	(42)
Contributions by employees	(40)	(29)
Actuarial gains/(losses)	-	(145)
Benefits paid	25	-
	<u>(1,607)</u>	<u>(1,395)</u>

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

	2013 £'000	2012 £'000
Opening fair value of scheme assets	750	-
Assets acquired on conversion	-	580
Expected return on assets	49	29
Actuarial gains/(losses)	89	27
Contributions by employers	132	85
Contributions by employees	40	29
Benefits paid	(25)	-
	<u>1,035</u>	<u>750</u>

History of experience gains and losses

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(1,607)	(1,395)
Fair value of share of scheme assets	1,035	750
Surplus / (deficit)	<u>(572)</u>	<u>(645)</u>
Experience adjustment on scheme liabilities	-	-
Experience adjustment on scheme assets	<u>89</u>	<u>27</u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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

	2013 £'000	2012 £'000
Net income	(205)	9,665
Capital grants and similar income	(64)	(32)
Net deficit/(surplus) transferred on conversion	-	(10,557)
Net current assets other than cash transferred on conversion	-	1,629
Investment income	(6)	(2)
FRS17 pension costs less contributions payable	1	(6)
FRS17 pension finance income	15	13
Depreciation of tangible fixed assets	261	196
(Increase)/decrease in debtors	(22)	(10)
Increase/(decrease) in creditors	58	297
	<u>38</u>	<u>1,193</u>

### 20 Reconciliation of net cash flow to movement in net funds

	2013 £'000	2012 £'000
Increase/(decrease) in cash	104	1,189
Net funds at 1 September 2012	1,189	-
	<u>1,293</u>	<u>1,189</u>

### 21 Analysis of net funds

	At 1 September 2012 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2013 £'000
Cash at bank and in hand	<u>1,189</u>	<u>104</u>	<u>-</u>	<u>1,293</u>

### 22 Commitments under operating leases

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

	2013 £'000	2012 £'000
Expiry date		
- Within one year	4	-
- Between two and five years	20	25
	<u>24</u>	<u>25</u>

# ST CATHERINE'S CATHOLIC SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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### 23 Capital commitments

	2013 £'000	2012 £'000
At 31 August 2013 the company had capital commitments as follows		
Expenditure contracted for but not provided in the accounts	-	51

At 31 August 2013 the Academy was not committed to any works (2012 £51,480)

### 24 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

### 25 Members' liability

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