

St Paul's Church of England Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Fourteen months ended 31 August 2015**

Company Number : 09102276

Feltons

Chartered Accountants

Birmingham

B1 3JR

St Paul's Church of England Academy Trust

(A Company Limited by Guarantee)

Report and financial statements Fourteen months ended 31 August 2015

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St Paul's Church of England Academy Trust
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Reference and Administrative Details

Members	Reverend Huw Daniel Bishop Alison Foster Angela Keeling Joanne Smith	Foundation Trustee Parent Trustee Parent Trustee Parent Trustee
Trustees	Jayne Beasley Reverend Huw Daniel Bishop * Reverend Allen Bower Mrs Alison Foster Mr Robert Hazel Mrs Angela Keeling * Mrs Anna McGuire * Mrs Davina Pittaway Mrs Bobby Rainford * Mrs Joanne Smith* Mr Craig Taylor Mrs Iris Taylor Mr Raymond Perrins Rebecca Woodall	Staff Trustee Foundation Trustee (appointed 25/06/14) Foundation Trustee Parent Trustee - Chair Co-opted Trustee Parent Trustee (appointed 25/06/14) Principal Parent Trustee Staff Trustee Co-opted Trustee - Vice Chair (appointed 25/06/14) Co-opted Trustee Foundation Trustee Associate (appointed 25/06/14, resigned 21/09/15) * members of finance committee
Senior management team	Principal Vice Principal Assistant Principal	Anna McGuire Debra Woodhouse Kate Winchurch
Company name	St Paul's Church of England Academy Trust	
Responsible officer		Jaspal Bahat Schools Finance Team Sandwell MBC PO Box 2374 Oldbury B69 3DE
Principal and registered office		St Paul's C of E Academy Robert Road Tipton DY4 9BH
Company registration number		09102276
Independent auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Lloyds Bank PLC 63 High St Dudley DY1 8AA
Solicitors		Irwin Mitchell Riverside East Sheffield S3 8DT

St Paul's Church of England Academy Trust (A Company Limited by Guarantee)

Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 25 June 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Tipton. It has a pupil capacity of 210 pupils in YR - Y6 and 60 in Nursery and had a roll of 208 YR- Y6 and 28 in Nursery in the school census on October 2015.

Conversion to academy trust

The company was incorporated at Companies House on 25 June 2014. The signed commercial transfer agreement was dated 26 February 2015 with an academy conversion date of 1 March 2015.

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 Paul's Church of England Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Paul's Church of England Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

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 £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by the parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

The Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust.

The above selection procedures for Parent/Staff Trustees are through a ballot system, pro-rata to pupil numbers.

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Trustees' report (continued)

Policies and procedures adopted for the induction and training of Trustees

The Governing Body has a Service Level Agreement with SIPS Governor Services, to provide training, advice and support to the Governing Body.

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided by Trustee Support in accordance with their needs.

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The Principal is the Leader for Continuing Professional Development in school, and she ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's CPD Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Staffing and Finance
- Buildings and Safety
- Standards and Achievement
- Head Teacher Performance Management
- Appeals
- Staff and Pupil Discipline

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures.

Key Strategic decisions including those relating to the appointment of Principals and Vice - Principals, Budget allocation and approval, Financial policies and Risk Management are reserved for the Board of Trustees. Those responsibilities delegated to management include staff appointments below Vice-Principal, management of the school budgets, implementation of teaching and learning in accordance with the School Improvement Plan.

Related parties and other Connected Charities and Organisations

Revd H Bishop is also a Governor at Birchills Academy, Walsall, Dawley CE Primary School Telford and All Saints Academy, Bloxwich. Revd A Bower is also a Governor at St Martins Tipton. Mrs A McGuire; connection to Miss D O'Sullivan; step-daughter who is employed as an LSP by the Academy. Mr C Taylor works for the Black Country Consortium which provides P.E and Sport provision to the Academy. Mrs I Taylor is employed by the Academy as a Lunchtime Supervisor and cleaner.

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Trustees' report (continued)

Objectives and activities

Objects and aims

The strategic goal of St Paul's Church of England Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Academy Trust and the Department for Education.

All that we do within the Academy is underpinned by the school mission statement of ; ' We walk by faith and not by sight,'.

Objectives, strategies and activities

The school aims to maintain and improve upon its outstanding status, through:

- Improving the quality of teaching with the development of a topic based curriculum.
- Improving leadership at all levels.
- Raising attainment, accelerating progress and sustaining improvements in Mathematics.
- Raising attainment, accelerating progress and sustaining improvements in English.
- Embedding Assessment systems throughout the school.

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

St Paul's Church of England Academy is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic report

Achievements and performance

The Academy was last inspected by OFSTED in December 2010, whilst still a maintained primary school and was judged to be good. The Academy continues to make good progress and its outcomes have improved since the last inspection.

Awards

In 2012 the school was amongst the 100 top performing schools based on sustained improvement in L4+ performance from 2009-2012.

In 2013 under the new similar schools measure in the 2012 Performance Table the school was in the top 105 performing schools in England.

In 2015 the school was congratulated for its Key Stage 2 results for disadvantaged children since 2012.

The school achieved the Eco schools Silver Award in 2014 and the Sainsbury's Bronze Sports Award in 2014 and 2015. The school has won many Art awards, the highest profile being the award of a Sensory Garden in 2011. The school has been awarded the Music Mark for its commitment to the Arts in 2015.

Trustees' report (continued)

Strategic Report (continued)

Achievement

Attainment and progress at the end of Key Stage 2 is above national levels

Key Stage 2 Results for 2015

Reading		2015
% Level 4+	School	96
	Sandwell	87
	National	89
% Level 4B+	School	93
	Sandwell	76
	National	80
% Level 5+	School	75
	Sandwell	41
	National	48

Writing		2015
% Level 4+	School	89
	Sandwell	84
	National	87
% Level 5+	School	43
	Sandwell	32
	National	36

Maths		2015
% Level 4+	School	89
	Sandwell	88
	National	87
% Level 4B+	School	86
	Sandwell	78
	National	77
% Level 5+	School	54
	Sandwell	39
	National	41

Grammar, Punct & Spelling		2015
% Level 4+	School	89
	Sandwell	81
	National	80
% Level 5+	School	79
	Sandwell	55
	National	55

Trustees' report (continued)

Strategic Report (continued)

Better Than Expected Progress (3+ Levels)		2015
% Reading	School	64
	Sandwell	35
	National	-
% Writing	School	39
	Sandwell	39
	National	-
% Maths	School	29
	Sandwell	37
	National	-

Expected Progress (2+ Levels)		2015
% Reading	School	100
	Sandwell	91
	National	91
% Writing	School	96
	Sandwell	95
	National	94
% Maths	School	93
	Sandwell	92
	National	90

Reading, Writing & Maths		2015
% Level 4+	School	89
	Sandwell	79
	National	80
% Level 4B+	School	86
	Sandwell	67
	National	69
% Level 5+	School	32
	Sandwell	21
	National	24

Average Point Score		2015
Reading	School	31.1
	Sandwell	28.4
	National	28.9
Writing	School	28.7
	Sandwell	27.7
	National	28.1
Maths	School	29.4
	Sandwell	28.9
	National	28.9
Rea, Wri & Maths	School	29.6
	Sandwell	28.4
	National	-

Trustees' report (continued)

Strategic Report (continued)

Key Stage One Results for 2015

	Reading 2+	2B+	3
School	97	90	29
Sandwell	87	78	25
National	91	82	32

	Writing 2+	2B+	3
School	97	84	10
Sandwell	83	65	13
National	88	72	18

	Maths 2+	2B+	3
School	100	84	19
Sandwell	91	78	21
National	93	82	26

Early Years Key Indicators

Indicator		2015
% PSE & COM	School	70
	Sandwell	58
	National	-
% Achieving a Good Level of Development	School	70
	Sandwell	58
	National	66
% Achieving Prime Areas	School	80
	Sandwell	70
	National	-
% Achieving Specific Areas of Learning	School	57
	Sandwell	55
	National	-

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Trustees' report (continued)

Strategic report (continued)

To ensure that standards are continually raised, the Academy:

- Implements a whole school approach to self-evaluation
- Follows an embedded monitoring and evaluation programme which ensures all staff are accountable for the progress of all groups of pupils
- Tracks the individual progress of all pupils including the identification of vulnerable groups and those receiving Pupil Premium
- Evaluates trends in all cohorts, planning to meet their needs
- Establishes appropriate interventions and individual plans for pupils with Special Educational Needs and Disabilities, children with specific needs and Gifted and Talented pupils, working with appropriate agencies
- Is committed to the Continued Professional Development of all staff, following a well-established and rigorous Performance Management process

Key performance indicators

- Direct costs as a percentage of total costs were 62.4%
- Support costs as a percentage of total costs were 32.5%
- Total payroll costs as a percentage of recurring income were 68.8%

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 concerning the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The financial results of St Paul's Church of England Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the period ended 31 August 2015 total resources expended were £735,500 and the surplus of income over expenditure was £1,568,889 which included depreciation of £66,315.

At 31 August 2015 the net book value of fixed assets was £2,158,818. The assets were used exclusively for providing the education and the associated support services to the pupils of St Paul's Church of England Academy.

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Trustees' report (continued)

Reserves policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The deficit on the restricted pension fund of £627,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Principal risks and uncertainties

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Plans for future periods

It is the aim of the Trustees to:


- Continue to improve standards, achievement and the quality of teaching throughout the school
- Continue to develop leadership at all levels
- To improve the presentation of work across all curriculum areas.
- Enhance the learning environment, improving the space for all groups of pupils both indoors and outdoors.
- To further embed British Values across the curriculum.

Auditor

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~7th December~~ 2015 and signed on its behalf by:

 Mrs A Foster - Chair of Trustees

St Paul's Church of England Academy Trust
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Governance statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The board of trustees has formally met 15 times during the period. Attendance during the period at meetings of the board of trustees was as follows :

	Meetings attended	Out of a possible
Main board		
Mrs Jayne Beasley	6	6
Reverend Huw Daniel Bishop	2	4
Reverend Allen Bower	3	3
Mrs Alison Foster	6	7
Mr Robert Hazel	4	7
Mrs Angela Keeling	12	13
Mrs Anna McGuire	15	15
Mrs Davina Pittaway	n/a	n/a
Mrs Bobby Rainford	10	10
Mrs Joanne Smith	2	3
Mr Craig Taylor	4	4
Mrs Iris Taylor	6	6
	Meetings attended	Out of a possible
Finance Committee		
Reverend Huw Bishop	3	3
Mrs Angela Keeling	3	3
Mrs Anna McGuire	3	3
Mrs Bobby Rainford	2	2
Mrs Joanne Smith	3	3

The Governing Body took part in a self- review exercise which demonstrated that:

- Governors are highly supportive of the school and are aware of its major strengths and weaknesses.
- Governors have attended regular training and draw on this to support leaders and to provide appropriate challenge to the Principal on key areas of school improvement.
- Governors are highly effective in keeping pupils safe and their commitment to supporting the lead safeguarding officer ensures that this remains a priority in all areas of school life.
- Governors make sure that statutory responsibilities are met, such as the management of teacher performance.
- The Trust will conduct a review annually, which will include a skills audit which will be used to review effectiveness in terms of leadership and impact and identify any further training required.

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Governance statement (continued)

Review of value for money

I accept that as accounting officer of St Paul's Church of England Primary Academy I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

As the Accounting Officer, I am responsible, under the requirements of St Paul's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 1st April 2015, and the Academies Financial Handbook 2015, 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.

I set out below how I have ensured that the Academy's Trust uses its resources has provided good value for money during the academic year.

Current Academy Improvement Plan priorities include the implementation of the New National Curriculum and Assessment processes. The budget is set out to ensure that the correct level of financial support is available to deliver the curriculum in the most effective and efficient manner. These levels of financial support are agreed by Governors so that realistic and achievable targets are met in line with the Academy Improvement Plan.

Improving Educational results

Targeted Improvement

Good use of school resources can be demonstrated by the fact that the school has balanced three year budget and attainment is above the national average in all areas. Each year the school determines areas that are targeted for improvement and these areas are given additional funding. This allows the school to effectively allocate resources in an efficient manner, identifying areas for improvement while still obtaining value for money.

Pupil premium was used to raise standards by providing additional targeted support, equipment and resources where required. Sustained educational provision and CPD opportunities were provided through the continued employment of specialist sports coaches. Sports Premium funding assisted in making this achievable.

Focus on Individual Pupils

All pupils receive quality first teaching and support. Interventions are identified and organised by the Vice Principal and SENCo, who ensure that staff deliver quality intervention work to those children who require additional support with their learning and social and emotional development. There is also effective deployment of teaching staff to ensure that the more able pupils are supported to make progress, improving educational achievement and attainment.

Collaboration

We have worked closely with the other Academies in the local community to provide support for pupils, to provide CPD for staff to raise standards and to join together for best financial value also. The school has been able to provide teaching support for Academies in the local area.

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Governance statement (continued)

Review of value for money (continued)

New Initiatives

A range of Sports coaches were employed by the academy to provide additional opportunities for the children to develop fundamental skills, and provide the staff with CPD through the Sports Premium funding. A Forest School provision has also been established.

Quantifying improvements

We used detailed tracking systems to record pupil progress. The systems allow us to quickly identify areas where additional support is required. This enables us to provide such support in a targeted and cost effective manner. Maintenance and the improvement of pupils achievement was as a result of all of the above, together with a rigorous and robust monitoring system, continual review and evaluation of performance, systems and procedures.

Financial Performance

Budget control and monitoring is undertaken by an outside company and presented to the Staffing & Finance Committee half termly. The Committee provide an essential role when assessing the spending and making comparisons with the original budget plan. The Committee may challenge decisions and request additional information to prove the effectiveness of spending or proposed spends. Three quotations are always provided for spending above £1000 and no final decisions are made without the approval of the Committee.

Reviews of internal and spending controls are made on a regular basis and amended according to staffing levels. Segregation of duties are paramount. Risks are regularly reviewed. Cash management and bank balances are reconciled at least weekly.

Suppliers are assessed and negotiations take place to secure best value. Contracts are regularly reviewed, assessed and re-negotiated where necessary.

Generation of income is explored and the Academy will further explore reliable streams to generate additional income in the future.

Benchmarking is undertaken and collaboration with local schools and academies are in place to secure best value.

The Academy have engaged the services of an external responsible officer who reports termly to the Staffing and Finance Committee. Interim and final external audits are provided by Feltons.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Paul's Church of England Academy for the period to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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Governance statement (continued)

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 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 Jaspal Bahat , a trustee, as responsible officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks in the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

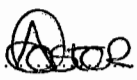
Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 7/12/15 and signed on its behalf by:


..... Mrs A Foster - Chair of Trustees


..... Mrs A McGuire - Accounting Officer

**St Paul's Church of England Academy Trust
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Statement on regularity, propriety and compliance

As accounting officer of St Paul'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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.

A. McGuire Mrs A McGuire - Accounting Officer

7/12/15 Date

**St Paul's Church of England Academy Trust
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Statement of Trustees' Responsibilities

The trustees (who act as governors of St Paul's Church of England Academy 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 2005;
- 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 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 7/12/ 2015 and signed on its behalf by:

.....  Mrs A Foster - Chair of Trustees

St Paul's Church of England Academy Trust
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Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Paul's Church of England Academy

We have audited the financial statements of St Paul's Church of England Academy (A Company Limited by Guarantee) for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 academy trust'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 academy trust 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 auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Paul's
Church of England Academy
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Feltons

.....
David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

11
..... December 2015

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St Paul's Church of England Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the St Paul's Church of England Academy Trust during the period 25 June 2014 to 31 August 2015 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 Paul's Church of England Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Paul's Church of England Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Paul's Church of England Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Paul's Church of England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Paul's Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 26 February 2015 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 24 June 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 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 our conclusion includes :

- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St Paul's Church of England Academy and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 25 June 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Feltons

.....

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

.. December 2015

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the fourteen months ended 31 August 2015
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income - transfer from local authority on conversion	2	158,307	(656,000)	(52,659)	2,207,589	1,657,237
Activities for generating funds	3	21,250	-	-	-	21,250
Investment income	4	176	-	-	-	176
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	-	618,571	7,155	625,726
Total incoming resources		179,733	(656,000)	565,912	2,214,744	2,304,389
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	7	22,235	13,000	596,824	66,315	698,374
<i>Governance costs</i>	8	-	-	6,350	-	6,350
<i>Other resources expended :</i>						
Other costs on conversion		-	-	30,776	-	30,776
Total resources expended	6	22,235	13,000	633,950	66,315	735,500
Net incoming/(outgoing) resources before transfers		157,498	(669,000)	(68,038)	2,148,429	1,568,889
Gross transfers between funds	15	(10,465)	-	76	10,389	-
Net income/(expenditure) for the period		147,033	(669,000)	(67,962)	2,158,818	1,568,889
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	42,000	-	-	42,000
Net movement in funds		147,033	(627,000)	(67,962)	2,158,818	1,610,889
Reconciliation of funds						
Total funds brought forward at 1 March 2015	15	-	-	-	-	-
Total funds carried forward at 31 August 2015		147,033	(627,000)	(67,962)	2,158,818	1,610,889

All of the Academy's activities were derived from acquisitions during the above financial period.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Company Number : 09102276
Balance sheet as at 31 August 2015

	Notes	2015	
		£	£
Fixed assets			
Tangible assets	12		2,158,818
Current assets			
Debtors	13	48,092	
Cash at bank and in hand		<u>167,002</u>	
		215,094	
Liabilities			
Creditors: amounts falling due within one year	14(a)	<u>91,655</u>	
Net current assets			123,439
Total assets less current liabilities			<u>2,282,257</u>
Creditors: amounts falling due after more than one year	14(b)		(44,368)
Net assets excluding pension liability			<u>2,237,889</u>
Pension scheme liability	24		(627,000)
Net assets including pension liability			<u><u>1,610,889</u></u>
Funds of the academy trust :			
Restricted funds			
Fixed asset fund	15	2,158,818	
General fund	15	(67,962)	
Pension reserve	15	<u>(627,000)</u>	
Total restricted funds			1,463,856
Unrestricted income funds			
General fund	15		147,033
Total funds			<u><u>1,610,889</u></u>

The financial statements on pages 20 to 40 were approved by the trustees, and authorised for issue on 7/12/15 2015 and are signed on their behalf by:



..... Mrs A Foster - Chair of Trustees

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Cash flow statement for the fourteen months ended 31 August 2015

	Notes	2015 £
Net cash inflow from operating activities	19	18,908
Returns on investments and servicing of finance	20	176
Capital expenditure	21	(10,389)
Cash transferred on conversion to academy trust	26	158,307
Net funds at 31 August 2015	22	<u>167,002</u>

All of the cash flows are derived from acquisitions in the period.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015

1. Statement of 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 2014 to 2015 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.

Incoming resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the period for which it is receivable and any unspent amount is reflected as a balance in the restricted 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.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

1. Statement of accounting policies (continued)

- **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.

Conversion to academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below :

The assets and liabilities transferred on conversion from St Paul's CE Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set for St Paul's Church of England Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income / net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds, restricted pension fund and restricted fixed asset funds. Details of the transaction are set out in note 26.

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 in 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.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Academy acquired a number of assets from the predecessor school for which no payment was made. A notional donation of £2,207,589 has been recognised to represent their value at that date.

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:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer 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.

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 part 11, chapter 3 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.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, 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

These represent 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

These represent resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

2. Voluntary income

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £
Transfer from local authority					
- fixed assets	-	-	-	2,207,589	2,207,589
- other assets	19,744	-	-	-	19,744
- other liabilities	-	-	(52,659)	-	(52,659)
- budget surplus on LA funds	138,563	-	-	-	138,563
- pension deficit	-	(656,000)	-	-	(656,000)
	<u>158,307</u>	<u>(656,000)</u>	<u>(52,659)</u>	<u>2,207,589</u>	<u>1,657,237</u>

3. Activities for generating funds

	Unrestricted funds £	Total 2015 £
Educational visits	4,722	4,722
Miscellaneous	16,528	16,528
	<u>21,250</u>	<u>21,250</u>

4. Investment income

	Unrestricted funds £	Total 2015 £
Short term deposits	<u>176</u>	<u>176</u>

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

5. Funding for the Academy Trust's educational operations

	Restricted general fund £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	492,219	-	492,219
Start up grants	21,850	-	21,850
Capital grants	-	7,155	7,155
Other EFA grants	56,902	-	56,902
	<u>570,971</u>	<u>7,155</u>	<u>578,126</u>
Other government grants			
Local authority grants	47,600	-	47,600
	<u>47,600</u>	<u>-</u>	<u>47,600</u>
	<u>618,571</u>	<u>7,155</u>	<u>625,726</u>

6. Resources expended

	Staff costs £	Non pay expenditure		Total 2015 £
		Premises £	Other costs £	
Academy's educational operations				
Direct costs	369,169	27,917	61,936	459,022
Allocated support costs	76,200	88,265	74,887	239,352
	<u>445,369</u>	<u>116,182</u>	<u>136,823</u>	<u>698,374</u>
Governance costs including allocated support costs	-	-	6,350	6,350
Other costs on conversion	-	-	30,776	30,776
	<u>445,369</u>	<u>116,182</u>	<u>173,949</u>	<u>735,500</u>

	Total 2015 £
Net incoming/(outgoing) resources for the period include :	
Operating leases - plant and machinery	834
Fees payable to auditor - audit	5,750
	<u>6,584</u>

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2015 £
Direct costs - educational operations				
Teaching and educational support staff	-	-	369,169	369,169
Depreciation	-	-	27,917	27,917
Technology costs	-	-	2,556	2,556
Educational supplies	3,815	-	18,340	22,155
Staff development	-	-	2,675	2,675
Educational consultancy	-	-	7,785	7,785
Other direct costs	245	-	26,520	26,765
	<u>4,060</u>	<u>-</u>	<u>454,962</u>	<u>459,022</u>
Allocated support costs - educational operations				
Support staff	-	13,000	63,200	76,200
Depreciation	-	-	38,398	38,398
Technology costs	-	-	15,140	15,140
Recruitment and support	-	-	631	631
Maintenance of premises and equipment	-	-	36,906	36,906
Cleaning	-	-	755	755
Rent and rates	-	-	2,675	2,675
Energy costs	-	-	8,061	8,061
Insurance	-	-	4,685	4,685
Security and transport	-	-	1,470	1,470
Catering	-	-	19,316	19,316
Other support costs	18,175	-	16,940	35,115
	<u>18,175</u>	<u>13,000</u>	<u>208,177</u>	<u>239,352</u>
Total direct and support costs	<u>22,235</u>	<u>13,000</u>	<u>663,139</u>	<u>698,374</u>

8. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	600	600
Auditor's remuneration			
audit of financial statements	-	5,750	5,750
	<u>-</u>	<u>6,350</u>	<u>6,350</u>

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

9. Staff costs

a) Staff costs

	Total 2015
	£
Staff costs during the period were:	
Wages and salaries	355,273
Social security costs	23,365
Operating costs of defined benefit pension schemes	66,731
	<u>445,369</u>

b) Staff severance payments

There were no staff severance payments in the year ending 31 August 2015.

c) Staff numbers

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

	2015 Number
Charitable activities	
Teachers	10
Administration and support	14
Management	5
	<u>29</u>

d) Higher paid staff

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

£60,001 - £70,000

1

This employee participated in the Teachers Pension Scheme.

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 on 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 to their roles as trustees.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses (continued)

The value of trustees' remuneration and other benefits was as follows :

Anna McGuire (principal and trustee)	
Remuneration	£30,000 - £35,000
Employer's pension contributions	£0 - £5,000
Jayne Beasley (staff trustee)	
Remuneration	£15,000 - £20,000
Employer's pension contributions	£0 - £5,000
Bobby Bhogal (staff trustee)	
Remuneration	£15,000 - £20,000
Employer's pension contributions	£0 - £5,000

During the year, no travel or subsistence expenses were reimbursed to the trustees. Other related party transactions involving the trustees are set out in note 25.

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 £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £250. The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
Assets transferred on conversion at valuation	2,140,000	32,813	34,776	2,207,589
Other additions at cost	-	2,408	15,136	17,544
At 31 August 2015	<u>2,140,000</u>	<u>35,221</u>	<u>49,912</u>	<u>2,225,133</u>
Depreciation				
Charge for the period	42,800	7,044	16,471	66,315
At 31 August 2015	<u>42,800</u>	<u>7,044</u>	<u>16,471</u>	<u>66,315</u>
Net book values				
At 31 August 2015	<u>2,097,200</u>	<u>28,177</u>	<u>33,441</u>	<u>2,158,818</u>

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

12. Tangible fixed assets (continued)

Leasehold property was valued at £2,140,000 by CBRE and the fittings and equipment and computer equipment were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2015 is represented by :	Long leasehold property	Fittings and equipment	Computer equipment	Total
	£	£	£	£
Valuation in 2015	2,140,000	32,813	34,776	2,207,589
Cost	-	2,408	15,136	17,544
	<u>2,140,000</u>	<u>35,221</u>	<u>49,912</u>	<u>2,225,133</u>

13. Debtors

	Total 2015 £
Debtors from operations	470
VAT recoverable	4,849
Prepayments and accrued income	42,773
	<u>48,092</u>

14. Creditors

	Total 2015 £
(a) Amounts falling due within one year :	
Accruals and deferred income	85,804
Other creditors	5,851
	<u>91,655</u>
Deferred income	£
Resources deferred in the year	17,712
Deferred income at 31 August 2015	17,712
	<u>17,712</u>

At the balance sheet date the academy trust was holding funds received in advance for universal free school meals for autumn term 2015.

	Total 2015 £
(b) Amounts falling due after more than one year :	
Other creditors	44,368
	<u>44,368</u>

Included within other creditors is an equal pay liability loan of £52,659 inherited on conversion. The loan is repayable over 9 years.

St Paul's Church of England Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

15. Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds				
General Annual Grant (GAG)	492,219	(510,038)	76	(17,743)
Other EFA grants	56,902	(56,902)	-	-
Start up grants	21,850	(21,850)	-	-
Equal pay liability on conversion	(52,659)	2,440	-	(50,219)
Other government grants	47,600	(47,600)	-	-
	<u>565,912</u>	<u>(633,950)</u>	<u>76</u>	<u>(67,962)</u>
Restricted fixed asset funds				
Assets transferred on conversion	2,207,589	(60,839)	-	2,146,750
EFA capital grants	7,155	(2,234)	-	4,921
Capital expenditure from GAG	-	(3,242)	10,389	7,147
	<u>2,214,744</u>	<u>(66,315)</u>	<u>10,389</u>	<u>2,158,818</u>
Restricted pension funds	<u>(656,000)</u>	<u>(13,000)</u>	<u>42,000</u>	<u>(627,000)</u>
Total restricted funds	<u>2,124,656</u>	<u>(713,265)</u>	<u>52,465</u>	<u>1,463,856</u>
Unrestricted funds				
Other income	179,733	(22,235)	(10,465)	147,033
Total unrestricted funds	<u>179,733</u>	<u>(22,235)</u>	<u>(10,465)</u>	<u>147,033</u>
Total funds	<u>2,304,389</u>	<u>(735,500)</u>	<u>42,000</u>	<u>1,610,889</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Sandwell Council.

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 2015.

The trust is carrying a net deficit of £67,962 on restricted general funds (excluding pension reserve). The trust has acquired an equal pay liability on conversion of £52,659 which is repayable over 9 years.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

The trust is carrying a net surplus of £147,033 on unrestricted general funds.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Sandwell Council where the asset acquired or created is held for a specific purpose.

St Paul's Church of England Academy Trust
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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,158,818	2,158,818
Current assets	147,033	-	68,061	-	215,094
Current liabilities	-	-	(91,655)	-	(91,655)
	147,033	-	(23,594)	2,158,818	2,282,257
Creditors due after one year	-	-	(44,368)	-	(44,368)
Pension scheme liability	-	(627,000)	-	-	(627,000)
Total net assets	147,033	(627,000)	(67,962)	2,158,818	1,610,889

17. Capital commitments

There were no capital commitments at 31 August 2015.

18. Financial commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Other 2015 £
Expiring within two to five years inclusive	1,056
	<u>1,056</u>

19. Reconciliation of net income to net cash inflow from operating activities

	Total 2015 £
Net income/(expenditure)	1,568,889
Depreciation (note 12)	66,315
Capital grants from EFA and other capital income	(7,155)
Cash transferred on conversion to academy trust (note 26)	(158,307)
Assets transferred on conversion to academy trust (note 26)	(2,207,589)
Interest receivable (note 4)	(176)
FRS 17 pension deficit on conversion (note 26)	656,000
FRS 17 actuarial movements (note 24)	13,000
(Increase) in debtors	(48,092)
Increase in creditors	136,023
Net cash provided by / (used in) operating activities	<u>18,908</u>

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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

20. Returns on investments and servicing of finance	Total 2015
	£
Interest received	176
Net cash inflow from returns on investment and servicing of finance	<u>176</u>

21. Capital expenditure and financial investment	Total 2015
	£
Purchase of tangible fixed assets	(17,544)
Capital grants from EFA	7,155
Net cash (outflow) from capital expenditure and financial investment	<u>(10,389)</u>

22. Analysis of changes in net funds	Cash	At
	flows	31 August
	£	2015
	£	£
Cash at bank and in hand	167,002	167,002
	<u>167,002</u>	<u>167,002</u>

23. 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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

24. Pension 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 West Midlands Pension Fund. Both are multi-employer 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 2012 and of the LGPS 31 March 2013.

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

Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

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

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £27,357.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £35,000, of which employer's contributions totalled £29,000 and employees' contributions totalled £6,000. The agreed contribution rates for future years for employees are between 5.5% and 11.4%.

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.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 32 years.

Principal actuarial assumptions

	At 31 August 2015
Rate of increase in salaries	4.15%
Rate of increase for pensions in payment / inflation	2.40%
Discount rate for scheme liabilities	4.00%
Inflation assumption (CPI)	2.40%
Commutation of pensions to lump sums	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	794	770	815	814
Projected service cost	60	58	62	62
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	794	819	774	774
Projected service cost	60	62	58	59

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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2015
Retiring today	
Males	23.0
Females	25.6
Retiring in 20 years	
Males	25.2
Females	28.0

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

	Expected return at 31 August 2015	Fair value at 31 August 2015
		£
Equities		101,000
Government bonds		12,000
Other bonds		17,000
Property		14,000
Cash		8,000
Other		15,000
Total market value of assets	5.90%	<u>167,000</u>
Present value of scheme liabilities		
- Funded		<u>(794,000)</u>
Surplus/(deficit) in the scheme		<u>(627,000)</u>

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual negative return on the Scheme assets was £4,000.

	2015 £
Amounts recognised in the statement of financial activities	
Current service cost (net of employee contributions)	<u>32,000</u>
Total operating charge	<u>32,000</u>
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	4,000
Interest on pension liabilities	<u>(14,000)</u>
Pension finance income/(costs)	<u>(10,000)</u>

**St Paul's Church of England Academy Trust
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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £42,000 gain.

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

	2015
	£
Current service cost	32,000
Interest cost	14,000
Employee contributions	6,000
Actuarial loss/(surplus)	(50,000)
Business combinations	792,000
At 31 August 2015	<u>794,000</u>

Movements in the fair value of academy's share of scheme assets were as follows :

	2015
	£
Expected return on assets	4,000
Actuarial surplus/(loss)	(8,000)
Employer contributions	29,000
Employee contributions	6,000
Business combinations	136,000
At 31 August 2015	<u>167,000</u>

Net pension scheme liability (627,000)

The estimated value of employer contributions for the year ended 31 August 2016 is £63,000.

The history of experience adjustments is as follows:

	2015
	£
Present value of defined benefit obligations	(794,000)
Fair value of share of scheme assets	<u>167,000</u>
Deficit in the scheme	<u>(627,000)</u>
Experience adjustments on share of scheme assets (£)	<u>(8,000)</u>

St Paul's Church of England Academy Trust
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Notes to the financial statements for the fourteen months ended 31 August 2015 (continued)

25. 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 academy trust's financial regulations and normal procurement procedures.

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

26. Conversion to an academy trust

On 1 March 2015 St Paul's CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Paul's Church of England Academy Trust from Sandwell Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	2,140,000	2,140,000
Other tangible fixed assets	-	-	-	67,589	67,589
Budget surplus/(deficit) on LA funds	138,563	-		-	138,563
Other identified liabilities	-	-	(52,659)		(52,659)
LGPS pension (deficit)	-	(656,000)	-	-	(656,000)
Other identified assets	19,744	-	-	-	19,744
Total net assets	<u>158,307</u>	<u>(656,000)</u>	<u>(52,659)</u>	<u>2,207,589</u>	<u>1,657,237</u>

The above net assets include £19,744 transferred as cash.

The transfer agreement requires the company to run the academy known as St Paul's Church of England Academy Trust on the present site; transfers all property, undertakings, rights, assets whether tangible or intangible to the academy trust; and sets out the responsibilities of the academy with regards to the employees of the former local authority controlled school. The transfer included the lease of property for a period of 125 years.