

**St Paul's Church of England Academy Trust
Annual Report and Financial Statements
Year ended 31 August 2016**

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
Year ended 31 August 2016**

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

Reference and Administrative Details

Members

Reverend Huw Daniel Bishop	Foundation Trustee
Mrs Alison Foster	Parent Trustee
Mr Craig Taylor	Co-opted Trustee
Reverend Allen Bower	Foundation Trustee

Served in last 12 months

Mrs Angela Keeling	Parent Trustee
Mrs Joanne Smith	Parent Trustee

Trustees

Jayne Beasley	Staff Trustee
Reverend Huw Daniel Bishop*	Foundation Trustee (appointed 25/06/14)
Reverend Allen Bower	Foundation Trustee (appointed 21/03/2016)
Mrs Beth Bates	Parent Trustee
Mrs Alison Foster	Parent Trustee – Chair (appointed 21/09/15)
Mr Robert Hazel	Co-opted Trustee
Mrs Anna McGuire*	Principal
Mrs Davina Pittaway	Parent Trustee
Mrs Bobby Rainford*	Staff Trustee
Mr Craig Taylor	Co-opted Trustee (appointed 21/03/16)
Mrs Iris Taylor	Foundation Trustee

Served in last 12 months

Mrs Joanne Smith	Parent Trustee (appointed 25/06/14, resigned 21/03/16)
Mrs Angela Keeling	Parent Trustee (appointed 25/06/14, resigned 21/03/16)

Senior management team

- | | |
|---|--------------------------------|
| <ul style="list-style-type: none">• Principal• Assistant principal | Anna McGuire
Kate Winchurch |
|---|--------------------------------|

Company name

St Paul's Church of England Academy Trust

Principal and registered office

St Paul's Church of England Academy Trust
Robert Road
Tipton
Sandwell
West Midlands
DY4 9BH

Company registration number

09102276

Independent auditor

Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers

Lloyds Bank PLC
63 High Street
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 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Tipton, Sandwell. It has a pupil capacity of 210 YR- Y6 and 60 in YN and had a roll of 248 in the school census on 21st January 2016.

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 million 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.

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

- 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 are through a ballot system pro rata to pupil numbers.

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

Trustees' report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body has a Service Level Agreement with the Trustee Support department of SIP's 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 Professional Development in school, and he/she ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training 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:

- Behaviour and Safety
- Curriculum and Standards
- Principal Appraisal
- Appeals
- Staff and Pupil Discipline
- Staffing and Finance

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.

Arrangements for setting pay and remuneration of key management personnel

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 and All Saints Academy Bloxwich. Revd A Bower is also a Governor at St Martins Tipton. Mrs A McGuire, related to an LSP employed by the Academy. Mr C Taylor employed by the Black Country Consortium providing PE and Sport provision to the Academy. Mrs I Taylor is employed by the Academy as a Lunchtime Supervisor and cleaner.

**St Paul's Church of England Academy Trust
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Trustees' report (continued)

Objectives and activities

Objects and aims

The strategic goal of St Paul's Church of England Academy 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 mission statement, 'We walk by faith and not by sight.'

Objectives, strategies and activities

The school aims to at least maintain and work towards improving its current 'Good' Ofsted status through:

- Improving the quality of teaching
- Developing Leadership at all levels
- Raise attainment in Mathematics
- Raise attainment in English
- Developing outdoor learning
- Further embedding assessment strategies 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. The statutory inspection of Church of England schools SIAM's took place in February 2016. The Academy achieved Outstanding in every area.

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 Academy achieved the Eco schools Silver Award in 2014.
- In 2015 the Academy achieved the Sainsbury's Bronze Sports Award.
- In 2016 the Academy achieved the Sainsbury's Gold Sports Award.
- In 2015 the Academy was awarded the Music Mark for its commitment to music.
- In 2016 the Academy achieved the International School Award, Foundation level.

**St Paul's Church of England Academy Trust
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Trustees' report (continued)

Achievement 2015 – 2016

EYFS Progress		Pass Rate
Achieving good level of development		73%
KS1 Phonics Screening Checks		Pass Rate
Year 1		93%
Year 2 (Re-sits)		83%
Key Stage 1 Results	Expected Standard	Above Expected
Reading	83%	7%
Writing	70%	0%
Mathematics	83%	7%
KS2 Results 2016	Expected Standard	Above Expected
Reading	63%	13%
Writing	83%	20%
Grammar, Punctuation and Spelling	83%	23%
Mathematics	67%	7%
Reading, Writing and Mathematics Combined	50%	7%

Attendance 2015- 2016	P.A.
96.81%	6.01

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 Appraisal process.

Key Performance Indicators

- Direct costs as a percentage of total costs were 67.8% (2015: 65.1%)
- Support costs as a percentage of total costs were 32.2% (2015: 34.9%)
- Total payroll costs as a percentage of recurring income were 71.7% (2015: 73.8%)

**St Paul's Church of England Academy Trust
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Trustees' report (continued)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

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 year ended 31 August 2016 total resources expended were £1,248,030 and the surplus of expenditure over income was £17,988 which included depreciation of £67,617.

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 Academy had total funds at 31 August 2016 of £1,130,901 which included £5,681 restricted funds not available for general purposes of the Academy Trust, £111,138 of free reserves defined as unrestricted funds available for general purposes and £2,096,082 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £116,819.

In addition, the deficit on the restricted pension fund of £1,082,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Budgeted expenditure for 2016/17 is £1,164,766.

Investment Policy

Any surplus funds are invested in a deposit account.

These investments are carried out in accordance with the powers vested in the Governing Body.

**St Paul's Church of England Academy Trust
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Trustees' report (continued)

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.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Plan for Future Periods

It is the aim of the Trustees to:

- Continue to improve standards, achievement and the quality of teaching throughout the school, with a specific focus on moving teaching from good to outstanding.
- Continue to develop leadership at all levels, including Governance.
- To maintain Healthy School's as a priority.
- Implement the SIAMs Action Plan.
- Enhance the learning environment, improving the space for all groups of pupils both indoors and outdoors.

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, was approved by order of the board of trustees, as the company directors, on 12.11.2..... 2016 and signed on the board's 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Main Board	Meetings attended	Out of a possible
Trustee		
Mrs Jayne Beasley	7	7
Reverend Huw Daniel Bishop	6	8
Mrs Beth Bates	3	3
Reverend Allen Bower	7	9
Mrs Alison Foster	11	11
Mr Robert Hazel	6	8
Mrs Anna McGuire	16	16
Mrs Davina Pittaway	5	7
Mrs Bobby Rainford	9	9
Mr Craig Taylor	7	9
Mrs Iris Taylor	7	7
Served in the last 12 months		
Mrs Angela Keeling	5	7
Mrs Joanne Smith	3	3

Governance Review

A review of governance was undertaken during the year which found 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.

The trust intends to conduct its next self-evaluation/external review in September 2016.

**St Paul's Church of England Academy Trust
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Governance statement (continued)

The **Finance Committee** is a sub-committee of the main board of trustees.

Finance Committee	Meetings Attended	Out of a possible
Mrs Bobby Rainford	4	4
Mrs Anna McGuire	6	6
Reverend Huw Daniel Bishop	5	6
Mrs Alison Foster	2	2
Mr Robert Hazel	2	2
Served in the last 12 months		
Mrs Angela Keeling	3	3
Mrs Joanne Smith	2	2

Review of value for money

As accounting officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving Educational results

Targeted Improvement

Good use of school resources can be demonstrated by the fact that the school has a balanced three year Budget.

Each year the school determines areas that are targeted for improvement and these are given additional funding. This allows the school to effectively allocate resources in an effective 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 specialists 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.

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

Governance statement (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 been established and outdoor learning is a priority.

Quantifying improvements

We track pupil progress, this allows us to identify areas where additional support is needed. This enables us to provide support in a targeted and cost effective manner. There are rigorous and robust monitoring systems in place; with a continual review and evaluation of performance systems and procedures.

Financial Performance

Budget control and monitoring is undertaken by Sandwell Council Traded Finance Services 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 annually 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 year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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 year to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Governance statement (continued)

The Risk and Control Framework

The Academy'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 Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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). His role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On an annual 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 year in question the review has been informed by:

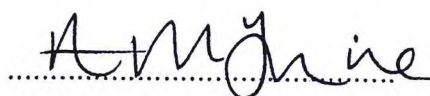
- the work of the Responsible Officer
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 Governing Body on 12/12 2016 and signed on its behalf by:



Mrs Alison Foster,
Chair of Trustees



Mrs Anna McGuire,
Accounting Officer

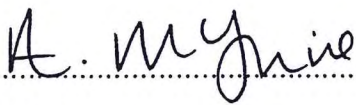
**St Paul's Church of England Academy Trust
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Statement of regularity, propriety and compliance

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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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.


..... Mrs Anna McGuire – Accounting Officer


..... 2016

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

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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12/12 2016 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 Members of St Paul's Church of England Academy Trust

We have audited the financial statements of St Paul's Church of England Academy Trust (A Company Limited by Guarantee) for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 [set out on page 13], 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 Trustees' Report 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 academy trust's affairs as at 31 August 2016, 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the Strategic Report for the financial year 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 the audit.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

14 December 2016

**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 Trust 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 2015 to 2016, 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 1 September 2015 to 31 August 2016 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 Trusts 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 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.

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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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 Trust 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 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

14. December 2016

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

Statement of financial activities for the year ended 31 August 2016
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Income from :							
Donations and capital grants	2	-	-	-	6,603	6,603	7,155
Transfer from local authority on conversion		-	-	-	-	-	1,657,237
Funding for the academy trust's educational operations	3	33,342	-	1,189,904	-	1,223,246	639,821
Investments	4	193	-	-	-	193	176
Total		33,535	-	1,189,904	6,603	1,230,042	2,304,389
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	29,430	(7,000)	1,157,983	67,617	1,248,030	704,724
Other costs on conversion		-	-	-	-	-	30,776
Total		29,430	(7,000)	1,157,983	67,617	1,248,030	735,500
Net income/(expenditure) before transfers		4,105	7,000	31,921	(61,014)	(17,988)	1,568,889
Transfers between funds	13	(40,000)	-	41,722	(1,722)	-	-
Net income/(expenditure) after transfers		(35,895)	7,000	73,643	(62,736)	(17,988)	1,568,889
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13, 21	-	(462,000)	-	-	(462,000)	42,000
Net movement in funds		(35,895)	(455,000)	73,643	(62,736)	(479,988)	1,610,889
Reconciliation of funds							
Total funds brought forward	13	147,033	(627,000)	(67,962)	2,158,818	1,610,889	-
Total funds carried forward		111,138	(1,082,000)	5,681	2,096,082	1,130,901	1,610,889

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

St Paul's Church of England Academy Trust
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Company number : 09102276
Balance sheet as at 31 August 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	10		2,096,082		2,158,818
Current assets					
Debtors	11	61,028		48,092	
Cash at bank and in hand		<u>137,844</u>		<u>167,002</u>	
		198,872		215,094	
Liabilities					
Creditors: amounts falling due within one year	12(a)	<u>43,536</u>		<u>91,655</u>	
Net current assets			155,336		123,439
Total assets less current liabilities			<u>2,251,418</u>		<u>2,282,257</u>
Creditors: amounts falling due after more than one year	12(b)		(38,517)		(44,368)
Net assets excluding pension liability			<u>2,212,901</u>		<u>2,237,889</u>
Defined benefit pension scheme liability	21		(1,082,000)		(627,000)
Total net assets			<u><u>1,130,901</u></u>		<u><u>1,610,889</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	2,096,082		2,158,818	
General fund	13	5,681		(67,962)	
Pension reserve	13	<u>(1,082,000)</u>		<u>(627,000)</u>	
Total restricted funds			1,019,763		1,463,856
Unrestricted income funds	13		111,138		147,033
Total funds			<u><u>1,130,901</u></u>		<u><u>1,610,889</u></u>

The financial statements on pages 18 to 39 were approved by the trustees, and authorised for issue on 12/12 2016 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)

Statement of cash flows for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	(31,073)	177,215
Cash flows from investing activities	18	1,915	(10,213)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(29,158)	167,002
Cash and cash equivalents at 1 September 2015	19	167,002	-
Cash and cash equivalents at 31 August 2016		<hr/> 137,844	<hr/> 167,002

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

Notes to the financial statements for the year ended 31 August 2016

1. Statement of accounting policies

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Paul's Church of England Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of St Paul's Church of England Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Paul's Church of England Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Grants (continued)**

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 are no performance-related conditions) where the receipt is probable 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 academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Expenditure (continued)

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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:

Leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer Hardware	- 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.

Debtors

Operational and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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.

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.

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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds 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 are 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 comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency or Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	-	6,603	6,603	7,155
	-	-	6,603	6,603	7,155
2015 total	-	-	7,155	7,155	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
DfE/EFA grants					
General Annual Grant (GAG)	-	969,143	-	969,143	492,219
Start up grants	-	-	-	-	21,850
Other DfE/EFA grants	-	130,338	-	130,338	56,902
	-	1,099,481	-	1,099,481	570,971
Other government grants					
Local authority grants	-	90,423	-	90,423	47,600
	-	90,423	-	90,423	47,600
Other income from the academy trust's educational operations	33,342	-	-	33,342	21,250
	33,342	90,423	-	123,765	68,850
	33,342	1,189,904	-	1,223,246	639,821
2015 total	21,250	618,571	-	639,821	

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	193	-	193	176
2015 total	<u>176</u>	<u>-</u>	<u>176</u>	

5. Resources expended

	Staff costs £	Non pay expenditure		Total 2016 £	Total 2015 £
		Premises £	Other costs £		
Academy's educational operations					
Direct costs	704,356	22,539	118,910	845,805	459,022
Allocated support costs	160,947	112,580	128,698	402,225	245,702
	<u>865,303</u>	<u>135,119</u>	<u>247,608</u>	<u>1,248,030</u>	<u>704,724</u>
2015 total	<u>445,369</u>	<u>116,182</u>	<u>143,173</u>	<u>704,724</u>	

Net incoming/(outgoing) resources for the year include :

		£	£
Operating leases	- plant and machinery	1,056	834
Depreciation		67,617	66,315
Fees payable to auditor	- audit	6,000	5,750
	- other services	325	-
		<u>74,000</u>	<u>77,900</u>

Included within resources expended are compensation payments of £12,655 (2015 - £nil).

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

Notes to the financial statements for the year ended 31 August 2016 (continued)

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £	Total 2015 £
Educational operations					
Direct costs	29,430	-	816,375	845,805	459,022
Support costs	-	(7,000)	409,225	402,225	245,702
	<u>29,430</u>	<u>(7,000)</u>	<u>1,225,600</u>	<u>1,248,030</u>	<u>704,724</u>
2015 total	<u>22,235</u>	<u>13,000</u>	<u>669,489</u>	<u>704,724</u>	
Analysis of support costs					
Support staff	-	(7,000)	167,947	160,947	76,200
Depreciation	-	-	45,078	45,078	38,398
Technology costs	-	-	25,823	25,823	15,140
Premises costs	-	-	67,502	67,502	49,867
Other support costs	-	-	90,799	90,799	59,747
Governance costs	-	-	12,076	12,076	6,350
Total support costs	<u>-</u>	<u>(7,000)</u>	<u>409,225</u>	<u>402,225</u>	<u>245,702</u>
2015 total	<u>18,175</u>	<u>13,000</u>	<u>214,527</u>	<u>245,702</u>	

7. Staff

a) Staff costs

Staff costs during the period were:

	Total 2016 £	Total 2015 £
Wages and salaries	663,534	355,273
Social security costs	49,889	23,365
Operating costs of defined benefit pension schemes	139,225	66,731
	<u>852,648</u>	<u>445,369</u>
Staff restructuring costs	12,655	-
	<u>865,303</u>	<u>445,369</u>

St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

7. Staff (continued)

	Total 2016 £	Total 2015 £
Staff restructuring costs comprise :		
Severance payments	12,655	-
	<u>12,655</u>	<u>-</u>

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,655 (2015 : £nil). Individually the payments were £12,655.

c) Staff numbers

The average number of persons employed by the academy during the year was as follows:

	2016 Number	2015 Number
Charitable activities		
Teachers	4	4
Administration and support	24	24
Management	8	10
	<u>36</u>	<u>38</u>

d) Higher paid staff

The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 was :

	Total 2016 Number	Total 2015 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £251,102 (2015: £104,556).

St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

8. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Anna McGuire (principal and trustee)	
Remuneration	£65,000 - £70,000 (2015 : £30,000 - £35,000)
Employer's pension contributions paid	£10,000 - £15,000 (2015 : £0 - £5,000)
Bobby Rainford (staff trustee)	
Remuneration	£40,000 - £45,000 (2015 : £15,000 - £20,000)
Employer's pension contributions paid	£5,000 - £10,000 (2015 : £0 - £5,000)
Jayne Beasley (staff trustee)	
Remuneration	£30,000 - £35,000 (2015 : £15,000 - £20,000)
Employer's pension contributions paid	£5,000 - £10,000 (2015 : £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £0 (2015 : £0) were reimbursed or paid directly to 0 (2015 0) trustees. Other related party transactions involving the trustees are set out in note 22.

9. 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 year ended 31 August 2016 was £250 (2015 : £250). The cost of this insurance is included in the total insurance cost.

St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

10. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2015	2,140,000	35,221	49,912	2,225,133
Additions	-	2,374	2,507	4,881
At 31 August 2016	<u>2,140,000</u>	<u>37,595</u>	<u>52,419</u>	<u>2,230,014</u>
Depreciation				
At 1 September 2015	42,800	7,044	16,471	66,315
Charge for the year	42,800	7,519	17,298	67,617
At 31 August 2016	<u>85,600</u>	<u>14,563</u>	<u>33,769</u>	<u>133,932</u>
Net book values				
At 31 August 2016	<u>2,054,400</u>	<u>23,032</u>	<u>18,650</u>	<u>2,096,082</u>
At 31 August 2015	<u>2,097,200</u>	<u>28,177</u>	<u>33,441</u>	<u>2,158,818</u>

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 2016 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2015	2,140,000	32,813	34,776	2,207,589
Cost	-	4,782	17,643	22,425
	<u>2,140,000</u>	<u>37,595</u>	<u>52,419</u>	<u>2,230,014</u>

St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

11. Debtors

	Total 2016 £	Total 2015 £
Debtors from operations	-	470
VAT recoverable	11,238	4,849
Prepayments and accrued income	49,790	42,773
	<u>61,028</u>	<u>48,092</u>

12. Creditors

	Total 2016 £	Total 2015 £
(a) Amounts falling due within one year :		
Accruals and deferred income	37,683	85,804
Other creditors	5,853	5,851
	<u>43,536</u>	<u>91,655</u>
Deferred income		
Deferred income at 1 September 2015	17,712	-
Resources deferred in the year	18,992	17,712
Amounts released from previous years	(17,712)	-
Deferred income at 31 August 2016	<u>18,992</u>	<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 2016.

(b) Amounts falling due after more than one year :

Other creditors	<u>38,517</u>	<u>44,368</u>
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Included within other creditors is an equal pay liability loan of £44,368 (2015 : £50,219) inherited on conversion. The loan is repayable over 8 years.

**St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

13. Funds

	Balance at 31 August 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	(17,743)	969,143	(943,073)	41,722	50,049
Other DfE/ EFA grants	-	130,338	(130,338)	-	-
Equal pay liability on conversion	(50,219)	-	5,851	-	(44,368)
Other grants	-	90,423	(90,423)	-	-
	<u>(67,962)</u>	<u>1,189,904</u>	<u>(1,157,983)</u>	<u>41,722</u>	<u>5,681</u>
Restricted fixed asset funds					
Transfer on conversion	2,146,750	-	(60,839)	-	2,085,911
DfE/EFA capital grants	4,921	6,603	(3,919)	(1,722)	5,883
Capital expenditure from GAG	7,147	-	(2,859)	-	4,288
	<u>2,158,818</u>	<u>6,603</u>	<u>(67,617)</u>	<u>(1,722)</u>	<u>2,096,082</u>
Pension reserve	<u>(627,000)</u>	<u>-</u>	<u>7,000</u>	<u>(462,000)</u>	<u>(1,082,000)</u>
Total restricted funds	<u>1,463,856</u>	<u>1,196,507</u>	<u>(1,218,600)</u>	<u>(422,000)</u>	<u>1,019,763</u>
Unrestricted funds					
Other income	147,033	33,535	(29,430)	(40,000)	111,138
Total unrestricted funds	<u>147,033</u>	<u>33,535</u>	<u>(29,430)</u>	<u>(40,000)</u>	<u>111,138</u>
Total funds	<u>1,610,889</u>	<u>1,230,042</u>	<u>(1,248,030)</u>	<u>(462,000)</u>	<u>1,130,901</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 2016.

The trust acquired an equal pay liability on conversion producing a balance of £44,368 as at 31 August 2016 which is repayable over 8 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.

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 year ended 31 August 2016 (continued)

14. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,096,082	2,096,082
Current assets	111,138	-	87,734	-	198,872
Current liabilities	-	-	(43,536)	-	(43,536)
	<u>111,138</u>	<u>-</u>	<u>44,198</u>	<u>2,096,082</u>	<u>2,251,418</u>
Creditors due after one year	-	-	(38,517)	-	(38,517)
Pension scheme liability	-	(1,082,000)	-	-	(1,082,000)
Total net assets	<u>111,138</u>	<u>(1,082,000)</u>	<u>5,681</u>	<u>2,096,082</u>	<u>1,130,901</u>

15. Capital commitments

There were no capital commitments at 31 August 2016.

16. Commitments under operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2016	Other Total 2015
	£	£
Amounts due within one year	1,056	1,056
Amounts due between one and five years	-	1,056
	<u>1,056</u>	<u>2,112</u>

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2016	Total 2015
	£	£
Net income/(expenditure) for reporting period (as per the SoFA on page 18)	(17,988)	1,568,889
Depreciation (note 10)	67,617	66,315
Assets transferred on conversion to academy trust	-	(2,207,589)
Capital grants from EFA and other capital income	(6,603)	(7,155)
Interest receivable (note 4)	(193)	(176)
Defined benefit pension scheme obligation inherited	-	656,000
Defined benefit pension scheme cost less contributions payable	(30,000)	11,000
Defined benefit pension scheme finance cost/(income) (note 21)	23,000	2,000
Increase in debtors	(12,936)	(48,092)
Increase / (decrease) in creditors	(53,970)	136,023
Net cash provided by / (used in) operating activities	<u>(31,073)</u>	<u>177,215</u>

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Notes to the financial statements for the year ended 31 August 2016 (continued)

18. Cash flows from investing activities

	Total 2016 £	Total 2015 £
Interest received	193	176
Purchase of tangible fixed assets	(4,881)	(17,544)
Capital grants from DfE/EFA	6,603	7,155
Net cash provided by / (used in) investing activities	1,915	(10,213)

19. Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	137,844	167,002
	137,844	167,002

20. 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.

21. 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 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 year.

**St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

21. 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 out.

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

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%.

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

The employer's pension costs paid to TPS in the year amounted to £60,363 (2015 : £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.

**St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

21. 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 year ended 31 August 2016 was £104,000 (2015 : £35,000), of which employer's contributions totalled £91,000 (2015 : £29,000) and employees' contributions totalled £13,000 (2015 : £6,000). The agreed contribution rates for future years are 15.8% for employers and 5.5% for employees.

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.

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 2016	At 31 August 2015
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment / inflation	2.00%	2.40%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.00%	2.40%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,394	1,351	1,432	1,430
Projected service cost	101	98	104	104
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,394	1,439	1,358	1,359
Projected service cost	101	104	98	98

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 2016	At 31 August 2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

**St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	184,000	101,000
Government bonds	22,000	12,000
Other bonds	27,000	17,000
Property	25,000	14,000
Cash/liquidity	20,000	8,000
Other	34,000	15,000
Total market value of assets	<u>312,000</u>	<u>167,000</u>

The actual return on scheme assets was £41,000 (2015 : £4,000).

	2016 £	2015 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	61,000	32,000
Net interest cost	23,000	11,000
Total operating charge	<u>84,000</u>	<u>43,000</u>

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

	2016 £	2015 £
At 1 September 2015	794,000	792,000
Current service cost	61,000	32,000
Interest cost	32,000	14,000
Change in financial assumptions	494,000	(50,000)
Estimated benefits paid net of transfers in	13,000	6,000
At 31 August 2016	<u>1,394,000</u>	<u>794,000</u>

St Paul's Church of England Academy Trust
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Notes to the financial statements for the year ended 31 August 2016 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016	2015
	£	£
At 1 September 2015	167,000	136,000
Interest on assets	9,000	3,000
Return on assets less interest	32,000	(7,000)
Employer contributions	91,000	29,000
Employee contributions	13,000	6,000
At 31 August 2016	<u>312,000</u>	<u>167,000</u>
Net pension scheme liability	<u>(1,082,000)</u>	<u>(627,000)</u>

22. Related party transactions

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

No related party transactions took place in the period of account other than trustees' remuneration and expenses already disclosed in note 8.

23. Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 March 2015 or 31 August 2015.