

St Paul's Church of England Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2018**

Company Registration Number
09102276 (England and Wales)

**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 2018**

Contents	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	10
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Report on Regularity	20
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes forming part of the Financial Statements, incorporating :	
Statement of Accounting Policies	25
Other Notes to the Financial Statements	30

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

Reference and Administrative Details

Members

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

Trustees

Mr Ray Perrins	Staff Trustee
Reverend Huw Daniel Bishop *	Foundation Trustee (resigned 24/09/2018)
Reverend Allen Bower	Foundation Trustee
Mrs Lisa Thomas	Parent Trustee (appointed 25/09/2017)
Mrs Alison Foster *	Parent Trustee – Chair (resigned 24/09/2018)
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
Mrs Iris Taylor	Foundation Trustee
Reverend Kate Watson	Co-opted Trustee (appointed 25/09/2017)
Mrs Beth Bates	Parent Trustee (resigned 25/09/2017)
Mrs Rosemary Birmingham	Appointed 16/09/2018.

Senior Leadership Team

<ul style="list-style-type: none">PrincipalVice principalAssistant Principal	Anna McGuire Kate Winchurch Bobby Rainford
--	--

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
West Midlands
DY4 9BH

Company registration number 09102276

Independent auditor Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

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

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 2017 to 31 August 2018. 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 YR- Y6 and 60 in YN and had a roll of 230 in October 2018 Census.

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 operates as St. Paul's Church of England Academy.

Details of the trustees who served during the year and to the date these accounts are approved 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 Board of Trustees 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 Board of Trustees, 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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees has a service level agreement with the trustee support department of SIP's Governor Services to provide training, advice and support to the Board of Trustees.

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 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 Board of Trustees 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
- Behaviour and Safety
- Curriculum and Standards
- Principal Appraisal
- 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 Board of Trustees also appoints a responsible officer and this role has been fully implemented in accordance with the Academy Trust financial procedures.

Reserved for the Board of Trustees are decisions relating to:

- a) Ensuring clarity of vision, ethos and strategic direction;
- b) Holding the executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
- c) Overseeing the financial performance of the organisation and ensuring best value

Those responsibilities delegated to management include:

The appropriate oversight of financial transactions, by:

- ensuring that the academy trust's property and assets are under the control of the trustees, and measures exist to prevent losses or misuse
- ensuring that bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts.

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

Trustees' report

Arrangements for setting pay and remuneration of key management personnel

Key Strategic decisions including those relating to the appointment of Principal's 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, St John's Academy Wednesbury and Blue Coat Academy. Revd A Bower is also a Governor at St Martins Tipton. Mrs A McGuire, related to an LSP and an Apprentice employed by the Academy. Mrs I Taylor is employed by the Academy as a Lunchtime Supervisor and cleaner.

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, Corinthians 2'.

Objectives

The main objectives for the year are:

- To maintain the Academy's current 'Good' Ofsted 2018 status through:
- Improving the quality of teaching so that all groups of pupils in particular disadvantaged pupils make progress
- Developing the quality of teachers questioning
- Developing leadership at all levels
- Raising attainment and progress in Mathematics
- Raising attainment and progress in English; with a particular focus on Reading
- Further embedding the 'Understanding Christianity' R.E. Scheme.
- Prioritising pupil and staff well being, working towards achieving the Sandwell Well Being Charter Mark

Public benefit

In setting our objectives and planning our activities, the Board of Trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

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 inspected by Ofsted in March 2018 and was judged to have maintained it's Good Status.

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

Trustees' report

Key inspection points were:

- The school is a strong nurturing environment, where pupils enjoy learning and feel supported and safe.
- Governors are an important part of the successful leadership of the school.
- Parents appreciate the care guidance and support that their children receive
- Behaviour for learning is well developed
- Safeguarding is effective and pupils say that they feel safe.
- The curriculum is broad and balanced; pupils experience a range of subjects as part of their usual timetable, enhanced by a wide range of vibrant extra curriculum activities.

The statutory inspection of Church of England schools SIAM's took place in February 2016. The Academy achieved Outstanding in every area.

Awards

- In 2017 the Academy achieved the International School Award, Intermediate level
- In 2017 the Academy achieved the Sports Mark Gold Award
- In 2017 the Academy achieved the 360 degree safe Online Safety Award
- In 2017 the Academy achieved the Children's Food Trust Good Food Award
- In 2018 the Academy achieved the Leading Parent Partnership Award
- In 2018 the Academy achieved the Primary Science Quality Mark
- In 2018 the Academy achieved the Sports Mark Gold Award; for the third consecutive year
- In 2018 the Academy achieved the International School Award

Key Performance Indicators

EYFS Progress 2018		Pass Rate
Achieving good level of development		68%
KS1 Phonics Screening Checks 2018		Pass Rate
Year 1		81%
Year 2 (Re-sits)		50 %
KS1 Results 2018	Expected Standard	Above Expected
Reading	73%	10%
Writing	77%	7%
Mathematics	80%	10%
KS2 Results 2018	Expected Standard	Above Expected
Reading	66%	21%
Writing	83%	17%
Grammar, Punctuation and Spelling	72%	28%
Mathematics	68%	17%
Reading, Writing and Mathematics Combined	59%	3%
Attendance 2017 – 2018	School	P.A.
	95.92%	4.40

To ensure that standards are continually raised, the Academy:

- Implements a whole school approach to self-evaluation

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

Trustees' report

- 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 67.1% (2017: 65.9%)
- Support costs as a percentage of total costs were 32.9% (2017: 34.1%)
- Total payroll costs as a percentage of recurring income were 79.5% (2017: 81.5%)

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 ESFA and requirements as laid down by the Academy's Financial Handbook.

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

During the year ended 31 August 2018 total resources expended were £1,295,593 and the deficit of income over expenditure was £81,495 which included depreciation of £57,850.

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 Board of Trustees' general policy to continue to build reserves which can be used for future educational purposes.

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

Trustees' report

The academy had total funds at 31 August 2018 of £1,206,684 which included £88,533 restricted funds not available for general purposes of the academy trust, £nil of free reserves defined as unrestricted funds available for general purposes and £2,001,151 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 £88,533.

In addition, the deficit on the restricted pension fund of £883,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment Policy

Any surplus funds are invested in a deposit account.

These investments are carried out in accordance with the powers vested in the Board of Trustees.

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
- Continue to develop leadership at all levels, including Governance.
- To ensure that the Religious Education and Christian distinctiveness of the Academy is a priority
- Enhance the learning environment, improving the space for all groups of pupils both indoors and outdoors.

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

Trustees' report

Funds Held as Custodian Trustee on Behalf of Others

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 ~~10 December~~ 2018 and signed on the board's behalf by:



Mr Craig Taylor - Chair of Trustees

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

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		
Mr Ray Perrins	7	7
Reverend Huw Daniel Bishop	3	14
Mrs Lisa Thomas	5	7
Reverend Allen Bower	8	8
Mrs Alison Foster	15	17
Mr Robert Hazel	5	7
Mrs Anna McGuire	20	20
Mrs Davina Pittaway	8	13
Mrs Bobby Rainford	7	7
Mr Craig Taylor	6	7
Mrs Iris Taylor	6	7

A review of governance was undertaken during the year in addition to this the Ofsted Inspection March 2018 indicated 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

The trust intends to conduct its next self-evaluation/external review in the Autumn Term 2018.

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

Governance statement (continued)

The **Staffing and Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to ensure that the Academy Trust delivers good value in the use of public resources.

Finance Committee	Meetings Attended	Out of a possible	Appointment	End of term of Office	Role
Mrs Anna McGuire	6	6	01/03/2015	-	P/ACO
Reverend Huw Daniel Bishop	1	6	01/03/2015	28/02/2019	C
Mrs Alison Foster	5	6	21/05/2018	20/05/2022	
Mrs Davina Pittaway	4	6	01/03/2015	28/02/2019	
Reverend Kate Watson	5	6	25/09/2017	24/09/2021	

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 Academy Trust use of its 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 appropriate. 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 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 a specialist Sports Coach. 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.

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 leadership support for Academies in the local area.

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

Governance statement (continued)

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 a 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 on-going process designed to identify and prioritise the risks to the achievement of the Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at St. Paul's Church of England Academy for the year to 31 August 2018 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 significant risks that has been in place for the year to 31 August 2018 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 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;

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

Governance statement (continued)

- 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 (R.O.) His role includes giving advice on financial matters and performing a range of checks on the Academy Trust 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 Responsible Officer reports to the Board of Trustees, through the finance and general purposes committee 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 Staffing and Finance 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 10 December 2018 and signed on its behalf by:



Mr Craig Taylor,
Chair of Trustees



Mrs Anna McGuire,
Accounting Officer

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

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, 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 2017.

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 funding agreement and the Academies Financial Handbook 2017.

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 ESFA.

A. McGuire Mrs Anna McGuire – Accounting Officer

10th December 2018

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

Statement of Trustees' Responsibilities

The trustees (who 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 Academies Accounts Direction published by the Education & Skills 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 2017 to 2018;
- 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 grants received from the ESFA/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 ...10 December... 2018 and signed on its behalf by:

.......... Mr Craig Taylor – Chair of Trustees

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

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

Opinion

We have audited the financial statements of St Paul's Church of England Academy (the 'academy trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2018, 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
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 15), 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our 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

13 December 2018

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 and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 March 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA 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 ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. 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 and Skills 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 1 September 2017 to 31 August 2018 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 (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

13 December 2018

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

Statement of financial activities for the year ended 31 August 2018
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Income from :							
Donations and capital grants	2	-	-	-	6,565	6,565	6,610
Funding for the academy trust's educational operations	3	41,248	-	1,166,203	-	1,207,451	1,191,848
Investments	4	82	-	-	-	82	116
Total		41,330	-	1,166,203	6,565	1,214,098	1,198,574
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	23,398	55,000	1,159,345	57,850	1,295,593	1,361,296
Total		23,398	55,000	1,159,345	57,850	1,295,593	1,361,296
Net income/(expenditure) before transfers		17,932	(55,000)	6,858	(51,285)	(81,495)	(162,722)
Transfers between funds	13	(88,533)	-	81,675	6,858	-	-
Net income/(expenditure) after transfers		(70,601)	(55,000)	88,533	(44,427)	(81,495)	(162,722)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13,21	-	156,000	-	-	156,000	164,000
Net movement in funds		(70,601)	101,000	88,533	(44,427)	74,505	1,278
Reconciliation of funds							
Total funds brought forward	13	70,601	(984,000)	-	2,045,578	1,132,179	1,130,901
Total funds carried forward		-	(883,000)	88,533	2,001,151	1,206,684	1,132,179

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

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

Company number : 09102276
Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	10		2,001,151		2,045,578
Current assets					
Debtors	11	45,425		56,455	
Cash at bank and in hand		<u>100,886</u>		<u>90,622</u>	
		146,311		147,077	
Liabilities					
Creditors: amounts falling due within one year	12(a)	<u>30,963</u>		<u>43,810</u>	
Net current assets			115,348		103,267
Total assets less current liabilities			<u>2,116,499</u>		<u>2,148,845</u>
Creditors: amounts falling due after more than one year	12(b)		(26,815)		(32,666)
Net assets excluding pension liability			<u>2,089,684</u>		<u>2,116,179</u>
Defined benefit pension scheme liability	21		(883,000)		(984,000)
Total net assets			<u><u>1,206,684</u></u>		<u><u>1,132,179</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	2,001,151		2,045,578	
General fund	13	88,533		-	
Pension reserve	13	<u>(883,000)</u>		<u>(984,000)</u>	
Total restricted funds			1,206,684		1,061,578
Unrestricted income funds	13		-		70,601
Total funds			<u><u>1,206,684</u></u>		<u><u>1,132,179</u></u>

The financial statements on pages 22 to 46 were approved by the trustees, and authorised for issue on 10 December 2018 and are signed on their behalf by:



Mr Craig Taylor - 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 2018

	Notes	2018	2017
		£	£
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	17,040	(34,262)
Cash flows from investing activities	18	(6,776)	(12,960)
Change in cash and cash equivalents in the reporting period		<hr/>	<hr/>
		10,264	(47,222)
Cash and cash equivalents at 1 September 2017		90,622	137,844
Cash and cash equivalents at 31 August 2018	19	<hr/>	<hr/>
		100,886	90,622

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

Notes to the financial statements for the year ended 31 August 2018

1. Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, 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 2017 to 2018 issued by ESFA, 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.

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.

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Income (continued)

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.

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.

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

Notes to the financial statements for the year ended 31 August 2018 (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. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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 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 and reclassified to freehold or leasehold land and buildings.

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.

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.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - classified as a basic financial instrument and is measured at face value.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 2018 (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 and Skills 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 2018 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	6,565	6,565	6,610
	-	-	6,565	6,565	6,610
2017 total	-	-	6,610	6,610	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	952,143	-	952,143	961,709
Other DfE Group grants	-	121,202	-	121,202	123,848
	-	1,073,345	-	1,073,345	1,085,557
Other government grants					
Local authority grants	-	92,858	-	92,858	57,755
Other government funding	-	-	-	-	2,000
	-	92,858	-	92,858	59,755
Other income from the academy trust's educational operations	41,248	-	-	41,248	46,536
	41,248	92,858	-	134,106	106,291
	41,248	1,166,203	-	1,207,451	1,191,848
2017 total	46,536	1,145,312	-	1,191,848	

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Short term deposits	82	-	82	116
2017 total	116	-	116	

5. Expenditure

	Staff costs £	Non pay expenditure		Total 2017/18 £	Total 2016/17 £
		Premises £	Other £		
Academy's educational operations					
Direct costs	761,568	22,790	85,433	869,791	897,563
Allocated support costs	203,243	108,510	114,049	425,802	463,733
	<u>964,811</u>	<u>131,300</u>	<u>199,482</u>	<u>1,295,593</u>	<u>1,361,296</u>
2017 total	977,285	151,949	232,062	1,361,296	

Net income/(expenditure) for the period includes :

		2017/18 £	2016/17 £
Operating leases	- plant and machinery	877	1,065
Depreciation		57,850	70,190
Fees payable to auditor	- audit	6,400	6,200
	- other services	-	425
		<u>-</u>	<u>425</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	Total 2016/17 £
Educational operations					
Direct costs	16,237	-	853,554	869,791	897,563
Support costs	7,161	55,000	363,641	425,802	463,733
	<u>23,398</u>	<u>55,000</u>	<u>1,217,195</u>	<u>1,295,593</u>	<u>1,361,296</u>
2017 total	<u>33,965</u>	<u>66,000</u>	<u>1,261,331</u>	<u>1,361,296</u>	
Analysis of support costs					
Support staff costs	-	55,000	148,243	203,243	218,870
Depreciation	-	-	35,060	35,060	45,284
Technology costs	-	-	21,674	21,674	16,854
Premises costs	-	-	59,146	59,146	63,757
Other support costs	7,161	-	86,970	94,131	109,060
Governance costs	-	-	12,548	12,548	9,908
Total support costs	<u>7,161</u>	<u>55,000</u>	<u>363,641</u>	<u>425,802</u>	<u>463,733</u>
2017 total	<u>19,358</u>	<u>66,000</u>	<u>378,375</u>	<u>463,733</u>	

7. Staff

a) Staff costs

Staff costs during the period were:

	Total 2017/18 £	Total 2016/17 £
Wages and salaries	710,235	718,748
Social security costs	59,956	62,395
Pension costs	<u>193,460</u>	<u>188,142</u>
	963,651	969,285
Staff restructuring costs	1,160	8,000
	<u>964,811</u>	<u>977,285</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

7. Staff (continued)

a) Staff costs (continued)

	Total 2017/18 £	Total 2016/17 £
Staff restructuring costs comprise :		
Redundancy payments	1,160	-
Severance payments	-	8,000
	<u>1,160</u>	<u>8,000</u>

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £8,000).

c) Staff numbers

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

	2017/18 Number	2016/17 Number
Teachers	9	7
Administration and support	20	20
Management	4	4
	<u>33</u>	<u>31</u>

d) Higher paid staff

	2017/18 Number	2016/17 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£70,001 - £80,000	<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 £227,499 (2017: £214,190).

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

8. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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	£70,000 - £75,000 (2017 : £70,000 - £75,000)
Employer's pension contributions paid	£10,000 - £15,000 (2017 : £10,000- £15,000)
Bobby Rainford (staff trustee)	
Remuneration	£35,000 - £40,000 (2017 : £25,000 - £30,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £nil - £5,000)
Raymond Perrins (staff trustee - appointed 12/12/2016)	
Remuneration	£20,000 - £25,000 (2017 : £10,000 - £15,000)
Employer's pension contributions paid	£nil - £5,000 (2017 : £nil - £5,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £nil) were reimbursed or paid directly to nil (2017 : nil) trustees.

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 2018 was £54 (2017 : £265). The cost of this insurance is included in the total insurance cost.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

10. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2017	2,152,863	39,794	57,043	2,249,700
Additions	-	775	12,648	13,423
At 31 August 2018	<u>2,152,863</u>	<u>40,569</u>	<u>69,691</u>	<u>2,263,123</u>
Depreciation				
At 1 September 2017	128,657	22,523	52,942	204,122
Charge for the year	43,057	8,115	6,678	57,850
At 31 August 2018	<u>171,714</u>	<u>30,638</u>	<u>59,620</u>	<u>261,972</u>
Net book values				
At 31 August 2018	<u>1,981,149</u>	<u>9,931</u>	<u>10,071</u>	<u>2,001,151</u>
At 31 August 2017	<u>2,024,206</u>	<u>17,271</u>	<u>4,101</u>	<u>2,045,578</u>

Leasehold property was valued at £2,140,000 by CBRE and the fittings and equipment and computer hardware 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 2018 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	12,863	7,756	34,915	55,534
	<u>2,152,863</u>	<u>40,569</u>	<u>69,691</u>	<u>2,263,123</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

11. Debtors

	Total 2018 £	Total 2017 £
VAT recoverable	5,776	8,433
Prepayments and accrued income	<u>39,649</u>	<u>48,022</u>
	<u>45,425</u>	<u>56,455</u>

12. Creditors

	Total 2018 £	Total 2017 £
(a) Amounts falling due within one year :		
Accruals and deferred income	25,110	37,957
Other creditors	<u>5,853</u>	<u>5,853</u>
	<u>30,963</u>	<u>43,810</u>
Deferred income		
Deferred income at 1 September 2017	19,119	18,992
Resources deferred in the year	17,845	19,119
Amounts released from previous years	<u>(19,119)</u>	<u>(18,992)</u>
Deferred income at 31 August 2018	<u>17,845</u>	<u>19,119</u>

At the balance sheet date the academy trust was holding funds received in advance for universal free school meals for autumn term 2018.

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

Other creditors	<u>26,815</u>	<u>32,666</u>
-----------------	---------------	---------------

Included within other creditors is an equal pay liability loan of £32,666 (2017 : 38,517) inherited on conversion. The loan is repayable over 6 years.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	38,517	952,143	(951,136)	81,675	121,199
Pupil Premium	-	121,202	(121,202)	-	-
Equal pay liability on conversion	(38,517)	-	5,851	-	(32,666)
Other grants	-	92,858	(92,858)	-	-
	<u>-</u>	<u>1,166,203</u>	<u>(1,159,345)</u>	<u>81,675</u>	<u>88,533</u>
Restricted fixed asset funds					
Transfer on conversion	2,024,724	-	(49,363)	-	1,975,361
DfE Group capital grants	8,726	6,565	(3,246)	-	12,045
Capital expenditure from GAG	2,995	-	(5,241)	6,858	4,612
Capital expenditure from unrestricted funds	9,133	-	-	-	9,133
	<u>2,045,578</u>	<u>6,565</u>	<u>(57,850)</u>	<u>6,858</u>	<u>2,001,151</u>
Pension reserve	<u>(984,000)</u>	<u>-</u>	<u>(55,000)</u>	<u>156,000</u>	<u>(883,000)</u>
Total restricted funds	<u>1,061,578</u>	<u>1,172,768</u>	<u>(1,272,195)</u>	<u>244,533</u>	<u>1,206,684</u>
Unrestricted funds					
Other income	70,601	41,330	(23,398)	(88,533)	-
Total unrestricted funds	<u>70,601</u>	<u>41,330</u>	<u>(23,398)</u>	<u>(88,533)</u>	<u>-</u>
Total funds	<u>1,132,179</u>	<u>1,214,098</u>	<u>(1,295,593)</u>	<u>156,000</u>	<u>1,206,684</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 and Skills 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 2018.

The trust acquired an equal pay liability in conversion producing a balance of £32,666 as at 31 August 2018 which is repayable over 6 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.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds (continued)

Restricted fixed asset funds

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

Comparative information in respect of the preceding period is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	50,049	961,709	(1,013,389)	40,148	38,517
Pupil Premium	-	123,848	(123,848)	-	-
Equal pay liability on conversion	(44,368)	-	5,851	-	(38,517)
Other grants	-	59,755	(59,755)	-	-
	<u>5,681</u>	<u>1,145,312</u>	<u>(1,191,141)</u>	<u>40,148</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on conversion	2,085,911	-	(61,187)	-	2,024,724
DfE Group capital grants	5,883	6,610	(3,767)	-	8,726
Capital expenditure from GAG	4,288	-	(1,293)	-	2,995
Capital expenditure from unrestricted funds	-	-	(3,943)	13,076	9,133
	<u>2,096,082</u>	<u>6,610</u>	<u>(70,190)</u>	<u>13,076</u>	<u>2,045,578</u>
Pension reserve	<u>(1,082,000)</u>	<u>-</u>	<u>(66,000)</u>	<u>164,000</u>	<u>(984,000)</u>
Total restricted funds	<u>1,019,763</u>	<u>1,151,922</u>	<u>(1,327,331)</u>	<u>217,224</u>	<u>1,061,578</u>
Unrestricted funds					
Other income	111,138	46,652	(33,965)	(53,224)	70,601
Total unrestricted funds	<u>111,138</u>	<u>46,652</u>	<u>(33,965)</u>	<u>(53,224)</u>	<u>70,601</u>
Total funds	<u>1,130,901</u>	<u>1,198,574</u>	<u>(1,361,296)</u>	<u>164,000</u>	<u>1,132,179</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	50,049	1,913,852	(1,964,525)	121,823	121,199
Pupil Premium	-	245,050	(245,050)	-	-
Equal pay liability on conversion	(44,368)	-	11,702	-	(32,666)
Other grants	-	152,613	(152,613)	-	-
	<u>5,681</u>	<u>2,311,515</u>	<u>(2,350,486)</u>	<u>121,823</u>	<u>88,533</u>
Restricted fixed asset funds					
Transfer on conversion	2,085,911	-	(110,550)	-	1,975,361
DfE Group capital grants	5,883	13,175	(7,013)	-	12,045
Capital expenditure from GAG	4,288	-	(6,534)	6,858	4,612
Capital expenditure from unrestricted funds	-	-	(3,943)	13,076	9,133
	<u>2,096,082</u>	<u>13,175</u>	<u>(128,040)</u>	<u>19,934</u>	<u>2,001,151</u>
Pension reserve	<u>(1,082,000)</u>	-	<u>(121,000)</u>	<u>320,000</u>	<u>(883,000)</u>
Total restricted funds	<u>1,019,763</u>	<u>2,324,690</u>	<u>(2,599,526)</u>	<u>461,757</u>	<u>1,206,684</u>
Unrestricted funds					
Other income	<u>111,138</u>	<u>87,982</u>	<u>(57,363)</u>	<u>(141,757)</u>	-
Total unrestricted funds	<u>111,138</u>	<u>87,982</u>	<u>(57,363)</u>	<u>(141,757)</u>	-
Total funds	<u>1,130,901</u>	<u>2,412,672</u>	<u>(2,656,889)</u>	<u>320,000</u>	<u>1,206,684</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

14. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,001,151	2,001,151
Current assets	-	-	146,311	-	146,311
Current liabilities	-	-	(30,963)	-	(30,963)
	-	-	115,348	2,001,151	2,116,499
Creditors due after one year	-	-	(26,815)	-	(26,815)
Pension scheme liability	-	(883,000)	-	-	(883,000)
Total net assets	-	(883,000)	88,533	2,001,151	1,206,684

Comparative information in
respect of the preceding period is
as follows :

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,045,578	2,045,578
Current assets	70,601	-	76,476	-	147,077
Current liabilities	-	-	(43,810)	-	(43,810)
	70,601	-	32,666	2,045,578	2,148,845
Creditors due after one year	-	-	(32,666)	-	(32,666)
Pension scheme liability	-	(984,000)	-	-	(984,000)
Total net assets	70,601	(984,000)	-	2,045,578	1,132,179

15. Capital commitments

	2018	2017
	£	£
Contracted for but not provided in the financial statements	-	-

16. Commitments under operating leases

At 31 August 2018 the total of the Academy
Trust's future minimum lease payments under non-
cancellable operating leases was:

	Other	
	Total 2018	Total 2017
	£	£
Amounts due within one year	907	-
Amounts due between one and five years	938	-
	1,845	-

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities	Total 2017/18	Total 2016/17
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	(81,495)	(162,722)
Adjusted for :		
Depreciation (note 10)	57,850	70,190
Loss on disposal of fixed assets	-	-
Capital grants from DfE and other capital income	(6,565)	(6,610)
Interest receivable (note 4)	(82)	(116)
Defined benefit pension scheme cost less contributions payable	30,000	43,000
Defined benefit pension scheme finance cost/(income) (note 21)	25,000	23,000
Decrease / (increase) in debtors	11,030	4,573
Increase / (decrease) in creditors	(18,698)	(5,577)
Net cash provided by / (used in) operating activities	<u>17,040</u>	<u>(34,262)</u>

18. Cash flows from investing activities

	Total 2017/18	Total 2016/17
	£	£
Interest received	82	116
Purchase of tangible fixed assets	(13,423)	(19,686)
Capital grants from DfE Group	6,565	6,610
Net cash provided by / (used in) investing activities	<u>(6,776)</u>	<u>(12,960)</u>

19. Analysis of cash and cash equivalents

	At 31 August 2018	At 31 August 2017
	£	£
Cash at bank and in hand	100,886	90,622
	<u>100,886</u>	<u>90,622</u>

20. Members' liability

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

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

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 Midland 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 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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

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).
- 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%.

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £57,853 (2017 : £56,701).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £95,000 (2017 : £79,000), of which employer's contributions totalled £79,000 (2017 : £65,000) and employees' contributions totalled £16,000 (2017 : £14,000). The agreed contribution rates for future years are 19.1% for employers and 9.9% 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 24 years.

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Sensitivity analysis	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,401	1,368	1,430	1,446
Projected service cost	96	94	98	99
	£'000s	- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,401	1,435	1,373	1,358
Projected service cost	96	98	94	93

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 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

The academy's share of the assets in the scheme was :

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	329,000	263,000
Government bonds	37,000	31,000
Other bonds	19,000	16,000
Property	42,000	31,000
Cash/liquidity	19,000	21,000
Other	72,000	56,000
Total market value of assets	518,000	418,000

The actual return on scheme assets was £,5000 (2017 : £59,000).

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2017/18	2016/17
	£	£
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	109,000	108,000
Net interest cost	25,000	23,000
Administration expenses	-	-
Total amount recognised in the SoFA	<u>134,000</u>	<u>131,000</u>

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

	2017/18	2016/17
	£	£
At 1 September 2017	1,402,000	1,394,000
Current service cost	109,000	108,000
Interest cost	37,000	31,000
Changes in financial assumptions	(163,000)	49,000
Change in demographic assumptions	-	(17,000)
Experience (gain) on defined benefit obligation	-	(177,000)
Benefits paid net of transfers in	-	-
Contributions by participants	16,000	14,000
Business combinations	-	-
At 31 August 2018	<u>1,401,000</u>	<u>1,402,000</u>

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

	2017/18	2016/17
	£	£
At 1 September 2017	418,000	312,000
Interest income	12,000	8,000
Return on assets less interest	(7,000)	51,000
Other actuarial (losses)	-	(32,000)
Administration expenses	-	-
Employer contributions	79,000	65,000
Contributions by participants	16,000	14,000
Benefits paid net of transfers in	-	-
Business combinations	-	-
At 31 August 2018	<u>518,000</u>	<u>418,000</u>
Net pension scheme liability	<u>(883,000)</u>	<u>(984,000)</u>

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

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 relating to connected and related party transactions.

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



Feltons
CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

The Board of Trustees,
St Paul's C of E Academy,
Robert Road,
Tipton,
DY4 9BH.

Our ref: DWF/KD

3 December 2018

Dear Sirs,

**St Paul's Church of England Academy Trust
Report to Management for the period ended 31 August 2018**

During the course of our audit and regularity assurance engagements for the period ended 31 August 2018 no matters arose which we consider should be brought to your attention.

No matters came to light during the course of our normal audit and assurance tests which are designed to assist us in forming our opinion on the financial statements and providing a limited assurance conclusion on regularity. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit and assurance tests, we would, of course, inform you immediately.

This report has been prepared for the sole use of the trustees of St Paul's Church of England Academy Trust. We understand that you are required to provide a copy of this report to the Education and Skills Funding Agency. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by Feltons (Bham) Limited towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the academy's staff who assisted us in carrying out our work.

Yours faithfully,

Feltons (Bham) Limited

1. Purpose of this document

This appendix to our report to management has been prepared in order to communicate the findings of our audit for the period ended 31 August 2018 to management and those charged with governance.

The matters set out are intended to deal with the following:

- Share information in order to assist both us as auditors and those charged with governance to fulfil our respective responsibilities;
- Provide constructive observations on matters arising from the audit process;
- Ensure that we have communicated to management any deficiencies in internal controls and our recommendations thereon;
- Set out any errors that have been adjusted in the accounts and also any that were discovered but are considered trivial and have not been adjusted;
- Receive feedback from those charged with governance on any other matters, including the conduct of our audit.

2. Independence

As part of our normal audit planning process we assess all areas of the audit for risk and our work is planned so as to take account of those risks. One element of that risk assessment is a review of our relationship with you in order to identify any new actual or perceived threats to our independence within the regulatory and professional requirements governing us as your auditors.

No threats to our independence as your auditors have been identified.

3. Limitations

Audit procedures are conducted in accordance with UK Auditing Standards as set out by the Auditing Practices Board.

Our procedures are designed to enable us to express an opinion on the financial statements as set out in our audit report. These auditing standards do not require us to design audit procedures for the purpose of identifying additional matters for the purposes of or use by those charged with governance.

Our audit included consideration of internal controls in operation within your organisation. Appropriate audit tests have been designed after this review but we have not necessarily relied on those controls in all cases.

We have included in this report only those matters that have come to our attention during the course of our audit and this report should not be taken as detailing all weaknesses or errors in the company's controls.

4. Significant accounting matters

We have reviewed accounting policies and estimates within the financial statements and discussed these with management. We have concluded that these are appropriate for the company.

5. Significant difficulties encountered during the audit

We have not encountered any undue difficulties in the course of our audit work and would like to thank the staff for their cooperation throughout the audit.

6. Other matters significant to financial reporting

We have not identified, either from our audit testing or discussions with management, any matters of concern in the financial reporting process.

7. Adjustments to the financial statements

We have attached a schedule of the adjustments agreed with management during the course of our audit. There are no unadjusted items other than those which we consider to be clearly trivial.

8. Fraud

There are no matters arising from our work.

9. Non-compliance with laws and regulations

There are no matters arising from our work.

10. Other statements of fact connected with the financial statements

There are no matters arising from our work.

11. Significant matters discussed with management

There are no matters arising from our work.

12. Significant matters in connection with related parties

There are no matters arising from our work.

13. Weaknesses in Internal Control

There are no matters arising from our work.

14. Representations

Our required letters of representation are attached to this report.

15. Limitations on the scope of our audit

We have received full cooperation during the course of our audit and no limitations have been placed on the scope of our work, including requests for external, third party confirmations where necessary.

16. Going concern

Nothing has come to our attention during the course of our audit or in discussions with management that indicates the going concern status is inappropriate.

17. Confidentiality

This report and related schedules has been prepared for the sole use the management and those charged with governance. It must not be disclosed to third parties, quoted or referred to in any way without Feltons prior written consent.

No responsibility is assumed by us to any third party.

