

# **Holy Family Catholic Academy Trust**

Registered number: 8155184

## **Directors report and financial statements**

**For the period ended 31 August 2013**

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **CONTENTS**

---

	Page
<b>Reference and Administrative Details of the Academy, its Directors and Advisers</b>	1
<b>Directors' Report</b>	2 - 13
<b>Governance Statement</b>	14 - 15
<b>Statement on Regularity, Propriety and Compliance</b>	16
<b>Directors' Responsibilities Statement</b>	17
<b>Independent Auditors' Report</b>	18 - 19
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	20 - 21
<b>Statement of Financial Activities</b>	22
<b>Balance Sheet</b>	23
<b>Cash Flow Statement</b>	24
<b>Notes to the Financial Statements</b>	25 - 45

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS  
DIRECTORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

<b>Directors</b>	Mr Michael J Ray, Chair (appointed 24 July 2012) Canon Alan Burbidge, Vice Chair (appointed 24 July 2012) Reverend Paul Chipchase, Foundation (appointed 24 July 2012) Dr Ellis Field, Foundation (appointed 24 July 2012) Mr Andrew Hall, Parent Governor (appointed 24 July 2012) Mrs Patricia Hurd, Head Teacher (appointed 24 July 2012) Mr Richard S Price, Parent Governor (appointed 24 July 2012) Dr Christopher B A Reynolds, Head Teacher (appointed 30 July 2012) Mrs Susan Lobb (appointed 24 July 2012, resigned 27 June 2013) Reverend Michael Kirkham (appointed 24 July 2012, resigned 11 December 2012)
<b>Company registered number</b>	8155184
<b>Principal and registered office</b>	Duffield Road Derby Derbyshire DE22 1JD
<b>Company secretary</b>	Mrs J L Williamson
<b>Senior management team</b>	Patricia Hurd, Head - St George's Catholic Voluntary Academy Christopher Reynolds, Head - Saint Benedict Catholic Voluntary Academy Jenny Williamson, Director of Finance and Business, Saint Benedict Catholic Voluntary Academy Bushra Akhtar, Business Manager, St George's Catholic Voluntary Academy
<b>Independent auditors</b>	Mazars LLP Chartered Accountants Statutory Auditor Cartwright House Tottle Road Nottingham NG2 1RT
<b>Bankers</b>	Yorkshire Bank 28 St Peter's Street Derby DE1 1SL

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT**

#### **FOR THE PERIOD ENDED 31 AUGUST 2013**

---

The Directors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Holy Family Catholic Academy Trust (the Academy Trust) for the period ended 31 August 2013. The Directors confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a charitable company limited by guarantee and was set up by a Memorandum of Association .

The Academy Trust is constituted under a Memorandum of Association . The Academy was incorporated on 24 July 2012 and commenced activities from 1 September 2012.

The principal object of the academy is the operation of The Holy Family Catholic Academy Trust to provide education for pupils of different abilities between the ages of 4 and 11 providing a broad and balanced curriculum.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and skills. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### **Method of recruitment and appointment or election of Directors**

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association. Each academy has in place a local governing body.

#### Saint Benedict Catholic Voluntary Academy

The management of the academy is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body. Any vacancies will be advertised on the academy website and newsletter.

We have delegated to the Head teacher the overall responsibility for organising the election. The Chair or Vice Chair of Governors will undertake the role of returning officer. At any one time the structure of the governing body must be:

- a.10 foundation governors appointed by the Bishop of Nottingham
- b.3 Staff Governors, appointed under Articles 58A to 58C (2 teacher and 1 support staff);
- c.3 Parent Governors appointed under Articles 53 58 ;
- d.the Head teacher; and
- e.Any Additional Governors, if appointed under Article 62, 62A or 68A.

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)** **FOR THE PERIOD ENDED 31 AUGUST 2013**

---

#### St George's Catholic Voluntary Academy

The management of the academy is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body. Any vacancies will be advertised on the academy website and newsletter.

We have delegated to the Head teacher the overall responsibility for organising the election. The Chair of Governors will undertake the role of returning officer. At any one time the structure of the governing body must be:

- a) 8 foundation governors appointed by the Bishop of Nottingham
- b) 2 staff governors, appointed under Articles 58A to 58C ( 1 teacher and 1 support staff);
- c) 1/ 2 parent governors appointed under Articles 53 58 ;
- d) The Headteacher; and
- e) Any Additional Governors, if appointed under Article 62, 62A or 68A.

#### **Policies and procedures adopted for the induction and training of Directors and Governors**

##### Saint Benedict Catholic Voluntary Academy

New governors are invited to meet the Principal and the Chair of Governors before their first meeting. In addition they are sent a pack of documentation which provides guidance on the governors role.

At their first meeting, the governors subcommittee meeting is explained and they are invited to attend such meetings.

##### St George's Catholic Voluntary Academy

New governors will:

- Be sent a letter from the chair of governors welcoming them to the board,
- Be invited to meet the headteacher and the Chair of Governors before their first meeting.
- Be invited into the school to view the school and meet staff
- Be sent a pack of documentation which provides guidance on the governors role.
- Attend a range of meetings before being allocated to a particular committee
- Be allocated a mentor
- Meet with their mentor periodically

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

### Organisational structure

#### Saint Benedict Catholic Voluntary Academy

The Governing Body has delegated areas of its work, and in three cases decision making responsibilities, to a number of committees. All of these committees:

- Meet twice a term, elect a Chair and Vice Chair at the first meeting of the year, and have a quorum of 2 members
- Receive reports from the Principal once a term which contain key issues for the attention of the committee
- Perform a largely strategic role [setting aims and objectives, agreeing policies, targets and priorities, and monitoring and reviewing aims, objectives and progress], act as a 'critical friend', delegate responsibilities to the Principal as appropriate, and make necessary decisions / recommendations.
- Work within the bounds of Policies and Practices, Diocesan requirements, Local Authority and Derby City Council Regulations, and Statutory Instruments

The following committees are currently in place:

1. Planning Committee: this committee deals with all aspects of planning for the academy and receives regular reports from the Principal. It plans the curriculum direction, estate and building needs, and the budget. It receives reports on the current budget as a standing item on the agenda with particular reference to planning the budget for the following year. It responds to Ofsted and section 48 Inspections by considering the school's action plans. It considers new and amended policies.
2. Monitoring Committee: this committee carries out a monitoring role. In particular it monitors the budget and standards, both of these being standing items on the agenda. It receives regular reports from the Principal.
3. Admissions Committee: all governors are eligible to be on this committee and it usually convenes after a Planning or Monitoring committee meeting.
4. Discipline: All governors are eligible to sit on this committee, which is normally made up of three mixed gender members.
5. Pay Committee: this committee is made up of three members and considers the recommendations of the Principal on pay for all staff; and the recommendation of the Principal's performance review committee.
6. Head's Performance Review Committee: this committee considers the Head's performance targets with the advice of an external adviser.

The terms of reference of each committee must be approved by the full governing body and reviewed each year. They provide the sole agreed framework within which each committee operates.

#### St George's Catholic Voluntary Academy

The Full Governing Body has delegated areas of its work, and in three cases decision making responsibilities, to three committees. All of these committees:

- Meet once a term, elect a Chair at the first meeting of the year, and have a quorum of 4 members.
- Perform a largely strategic role [setting aims and objectives, agreeing policies, targets and priorities, and monitoring and reviewing aims, objectives and progress], act as a 'critical friend', delegate responsibilities to the Principal as appropriate, and make necessary decisions / recommendations.
- Work within the bounds of Policies and Practices, Local Authority and Derby City Council Regulations, and Statutory Instruments

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

The following committees are currently in place:

1. Pupils and Personnel: Chair – Richard Penna. All personnel matters including establishment, draft budget, appointments [except Principal and Vice Principal], development, leave of absence, pay policy, performance management, early retirements, disciplinary action, dismissal [first committee – Full Governors provide second or appeals committee] overseeing freedom of information requests. Decisions are reported twice a term.
2. Finance & Premises: Chair – John Millett Improvement and Security of buildings and grounds, making related contractual arrangements, health and safety, Insurance, All financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure, considering audit reports.
3. Curriculum and Standards: Chair – C. Fox Monitoring of Standards across the school, overview of the whole school curriculum
4. Discipline: Pupil Exclusions. Reports as appropriate.
5. Heads Performance Management: this committee considers the Head's performance targets with advice from an external advisor
6. Admissions Committee: All governors are eligible to be on this committee. It usually convenes after a Finance & Premises or Pupils and Personnel meeting

The terms of reference of each committee must be approved by the full governing body and reviewed each year. They provide the sole agreed framework within which each committee operates.

### **Connected organisations, including related party relationships**

#### Saint Benedict Catholic Voluntary Academy

The academy is a member of the Derby Teaching School Alliance. The main role is to provide administrative and financial support and provide the services of the separate Trading Company to manage the Alliance's finances.

#### St George's Catholic Voluntary Academy

The academy works in partnership with Derby City Council. The academy is a member of the Derby Teaching School Alliance and the Local Catholic Cluster of schools. As members of this alliance, we work with other schools in the area to develop and share good practice. We are able to offer opportunities to colleagues – so, for example, school to school support has recently been supplied in our capacity as an outstanding school, for Religious Education to: St. Thomas Catholic Primary School at Ilkeston in Derby and St Albans Catholic Primary School in Derby. Our Deputy Head has recently taken on the NPQH qualification.

### **Risk management**

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

### **Directors' indemnities**

The Directors and Governors have taken out Governors' Liability Insurance with Zurich KSC-242046-7143.

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

### OBJECTIVES AND ACTIVITIES

#### Objects and aims

##### Saint Benedict Catholic Voluntary Academy

The Trust aims to support Catholic Education across primary and secondary education and be there for the poor. A set of shared values underpins the positive working atmosphere and success of our academy community: We will build up a loving community with Christ at its centre; develop potential to the full and strive for excellence; work and play in harmony; and treat each other with dignity and justice.

The main objectives of the academy during the period ended 31 August 2013 are summarised below:

- Raise achievement and improve progress
- Ensure all pupils are healthy, stay safe and achieve to the best of their ability so that they make a positive contribution to the academy community
- Develop the quality of teaching and learning
- Promote the Catholic ethos by departments and Houses encouraging their pupils to live their lives based on Christian principles, establish positive relationships, value diversity and are supportive and respectful of others
- Develop a curriculum that is engaging, flexible and meets the needs of our students, allowing them to achieve their potential
- Continue to develop the facility for sight impaired and severely physically impaired pupils, supporting them and allowing maximum access to the mainstream curriculum
- Exploiting the benefits of our high achieving specialist school status to create a distinctive character for the academy in order to further raise individual levels of achievement and standards of performance;
- Working in close partnership with parents, outside agencies, business, civic and voluntary bodies in order to motivate students, broaden their experience, develop enterprise and help them to see the relevance of education to their future prospects in life;
- Working with schools and colleges in the Derby Secondary Schools Learning partnership;
- Providing an attractive and stimulating working environment with regard to buildings, facilities, equipment and furniture; and
- Make teaching and learning more productive and efficient by harnessing modern technology.

##### St George's Catholic Voluntary Academy

Saint George's Catholic Voluntary Academy strives to be a community of children staff parents and parish working together to enable all to achieve their full potential in faith and life. We believe that a spirit of openness and partnership will help to meet the needs, and further the aspirations, of our pupils and the wider community. Our Mission Statement is " Grow in Faith Have Faith in Growing"

A set of shared values underpins the positive working atmosphere and success of our academy, we strive to:

- Make good choices
- Develop a lifelong love of God, of learning and of each other
- Foster a loving community based on Gospel values
- Treat each other with respect and dignity
- Strive to work and play together in harmony



# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

The main objectives of the academy during the period ended 31 August 2013 are summarised below:

- Ensure that the proportion of pupils making expected /more than expected progress from their starting points meets or exceeds national figures in all subjects,
- Providing emotional and pastoral support to help individual pupils meet the challenges they face in a safe, happy and caring environment;
- Nurturing positive attitudes towards personal safety and a healthy lifestyle;
- Review provision in Foundation stage 2
- Ensuring consistent emphasis on the application of pupils' literacy and numeracy skills in relevant and challenging ways in all topics
- Work in close partnership with parents, outside agencies, business, civic and voluntary bodies in order to motivate students, broaden their experience, develop enterprise and help them to see the relevance of education to their future prospects in life;
- Work with schools and colleges in the locality and the Nottingham Diocese of Catholic Schools and the Derby City Sports Association
- Provide an attractive and stimulating working environment with regard to buildings, facilities, equipment and furniture.

### Public benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commissions general guidelines on public benefit.

#### Saint Benedict Catholic Voluntary Academy

The academy looks to promote for the benefit of the inhabitants of Derby City and the surrounding towns and villages: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

#### St George's Catholic Voluntary Academy

The academy looks to promote for the benefit of the inhabitants of the Parishes of Saint George's and all Soldier Saints in Normanton and The Holy Spirit Parish in Sinfyn and the surrounding area: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

## ACHIEVEMENTS AND PERFORMANCE

### 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 Accounting Policies.

### Key performance indicators

#### Saint Benedict Catholic Voluntary Academy

In November 2012 the academy received an Ofsted inspection under the new framework and received a judgement of Good overall, and Good in all categories. This followed the previous inspection in 2010 as a voluntary aided school when the judgement was Satisfactory. There were many positive comments and the report stated that 'the headteacher described the academy as a special place and it is'.

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

Examination results were the best the school has ever achieved at GCSE. A level maintained the previous two years good achievement.

### Headline Results at GCSE

- 73% of students gained 5 or more Higher Grades compared with 61% in 2011
- 57% of students gained 5 or more Higher Grades including English and Maths compared with 55% in 2011
- Expected progress in English was at 67% (68%); above expected progress 15% (24%)
- Expected progress in Maths was at 73% (60%); above expected progress 23% (20%)

On the narrowing the gap measures comparing pupil premium and non-pupil premium outcomes on overall results the academy had a gap of 12%, the third best in the City. For English it was the best in the City with a gap of 0%; and for Maths not quite so positive with a gap of 18% placing the academy 9th out of 14 schools.

### Ways in which we are supporting staff:

- Development of a Learning Hub leading to coaching pairs. This very successful model was started two years ago and has become excellent practice seen as a model to be followed.
- The very broad curriculum contains a good vocational offer, and in the inclusive sixth form a strand for level 2 has been developed. Right at the end of the year in August the academy was approved for its first NVQ, difficult for a school to achieve. It is in Hair and Beauty and successful students will leave as qualified junior stylists
- Primary liaison has improved with teachers visiting primary school network meetings on assessment, reading and maths as well as the more traditional sharing of skills in the summer term.

### Buildings & Resources works

- Completion of the Dance studio/exam hall to be known as the Savannah Suite
- Rooms for reading programme
- Construction of new classroom
- Installation of solar panels to the roof of one of the main buildings

### Sporting achievements

- Much success in the City Athletics Championships
- U16 Basketball team came 3rd in English Championships
- U15 football team County Champions

In addition, Yasmin Miller was Commonwealth Junior Hurdles Champion and European Junior Hurdles Champion

### St George's Catholic Voluntary Academy

This year's results at key Stage Two are our best ever results. Within this cohort was a pupil who had a statement of special educational needs and was therefore disapplied from the SATs. We had 40 pupils in our Year 6 cohort therefore this pupil represents 2.5% of the whole. Expected levels of progress at 97% for reading, 89% for Writing and 97% for Maths are among the highest in the City of Derby

As part of the academy's commitment to providing the very best outcomes for all our pupils we are already analysing the results and developing strategies to ensure our students achieve the very best results possible in Summer 2013 and beyond.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### DIRECTORS' REPORT (continued)

#### FOR THE PERIOD ENDED 31 AUGUST 2013

#### Headline Results

KEY STAGE 2		ACADEMY	DERBY
%level 4+	Grammar, Punctuation and Spelling	85.0	70.0
	Reading	97.5	80.7
	Writing	80.0	77.7
	Maths	95.0	80.9
%level 5+	Grammar, Punctuation and Spelling	57.5	44.1
	Reading	47.5	39.2
	Writing TA	20.0	26.5
	Maths	52.5	36.9
%level 6+	Grammar, Punctuation and Spelling	2.5	0.8
	Reading	0.0	0.1
	Writing	0.0	1.8
	Maths	2.5	4.5
KEY STAGE 1			
%level 2+	Speaking and Listening	90	86
	Reading	94	85
	Writing	88	88
	Maths	88	88
%level 2B+	Reading	84	75
	Writing	59	65
	Maths	80	74
%level 3+	Speaking and Listening	20	22
	Reading	20	25
	Writing	12	13
	Maths	20	19

#### Staffing achievements and appointments

- Successful induction of an NQT
- Full programme of support for ITT students from Derby and Nottingham Universities and Trent University
- Successful induction of Social worker for family support
- Development of Co teaching in Year 6
- Successful application of Deputy Head onto the NPQH.
- Achievement of GOLD Investors in People Award

#### Curriculum achievements

- Achievement of GOOD Ofsted result (May 2013)
- Achievement of an OUTSTANDING Religious Education Inspection (Sept 2013)
- Successful implementation of the Edison Learning Programme for school improvement and staff development
- New range of topics developed throughout the phases with relevant visits for engagement of pupils
- Embedding of the Learning to Learn programme
- Development of chaplaincy team
- A proactive school council

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

### Extra support for pupils

- Further development of Learning Support area.
- Prefect selection and training
- Improved attendance figures
- Access to a learning Mentor
- Reduction in Fixed term exclusions
- Developing use of inclusion rooms for pupils at risk of exclusion

### Building and Resources

- Successful bid for finance to replace windows
- Refurbishment of two classrooms
- Creation of a chaplaincy room
- Creation of a memorial garden in the school grounds
- Plans are in place for redevelopment of the library and a media centre

### Review of activities

#### Saint Benedict Catholic Voluntary Academy

The academy is funded by the Education Funding Agency ("EFA") using the Derby City Local Authority Funding formula. In addition the academy receives the LAGSEG funding from the EFA.

This is the first full year as an academy and the results show an overall net surplus of £376k. Total incoming resources total £23,286k which includes: £13,762k of inherited assets and £8,884k relating to funding from the EFA, local authority and other government sources. Expenditure for the year totalled £9,293k with the majority £6,430k relating to staff costs.

The local government pension scheme deficit is £3,673k.

The academy is in a good financial position for the forthcoming year.

#### St George's Catholic Voluntary Academy

The academy is funded by the Education Funding Agency ("EFA") using the Derbyshire Local Authority Funding formula. In addition the academy receives the LAGSEG funding from the EFA.

This is the first full year as an academy and the results show an overall net surplus of £402k. (Some of this amount is held in contingency for unforeseen circumstances and also we have a project - new library and media centre pending) Total incoming resources total £5,051k which includes: £3,443k of inherited assets and £1,264k relating to funding from the EFA, local authority and other government sources. Expenditure for the year totalled £1476k with the majority £978k relating to staff costs.

The local government pension scheme deficit is £489k.

The Trust is in a good financial position for the forthcoming year.

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2013

---

### Investment policy and performance

Due to the nature of the funding cycle, Saint Benedict Catholic Voluntary Academy and St George's Catholic Voluntary Academy may at times hold large cash balances which may not be required for immediate use. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

### FINANCIAL REVIEW

#### Financial and risk management objectives and policies

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The Trust has inherited the Local Government Defined Benefit Pension Scheme deficit for associate staff of both Saint Benedict Catholic Voluntary Academy and St George's Catholic Voluntary Academy. The deficits are reducing as advised by Hymans Robertson, the pension actuarial experts.

#### Principal risks and uncertainties

##### Saint Benedict Catholic Voluntary Academy

The principal risks for the academy during the next few years are:

1. The reduction in students in the academy's 'normal area'. The academy closely monitors applications for places in and model the financial implications of any trends.
2. Changes to the funding formula. The Principal is Chair of the Derby City Schools Forum, which is the group that makes financial decisions in the Local Authority. This informs the Academy Senior Leadership Team of impending changes to the Funding Formula.
3. Changes to the funding of high needs pupils has caused the academy to lose large sums, mostly mitigated by the LA being cooperative.

##### St George's Catholic Voluntary Academy

The principal risks for the academy during the next few years are:

1. The reduction in students in the academy's 'normal area'. The academy closely monitors applications for places in and models the financial implications of any trends.
2. Changes to the funding formula. The Principal is a member of the school local cluster group which has a representative on the Schools Forum, which is the group that makes financial decisions in the Local Authority. This informs the Academy Senior Leadership Team of impending changes to the Funding Formula.

#### Reserves policy

##### Saint Benedict Catholic Voluntary Academy

The Governors policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the funding agreement.

The academy has a policy of carrying forward approved internal under / overspends. This may result in an increase in the academy reserve.

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **DIRECTORS' REPORT (continued)** **FOR THE PERIOD ENDED 31 AUGUST 2013**

---

#### St George's Catholic Voluntary Academy

The Governors policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

The academy has a policy of carrying forward internal under / overspends. This may result in an increase in the academy reserve.

#### **PLANS FOR THE FUTURE**

##### **Future developments**

#### Saint Benedict Catholic Voluntary Academy

The academy welcomes the Government initiative of Closing the Gap. We will continue to make this a priority of the academy.

The academy is working with Derby University to deliver an MA Ed to approximately 20 staff

The academy is working with a range of partners to make a significant contribution to Initial Teacher Training, Continued Professional Development and School to School support.

#### St George's Catholic Voluntary Academy

Future building works are planned to accommodate a new library and media centre

The academy welcomes the Government initiative of Closing the Gap. We will continue to make this a priority of the academy so that all learners make good progress.

The academy is working with a range of partners to make a significant contribution to Initial Teacher Training, Continued Professional Development and School to School support.

#### **MEMBERS' LIABILITY**

The Members of the Academy Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

#### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

**HOLY FAMILY CATHOLIC ACADEMY TRUST  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**Auditors**

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditors at a meeting of the Directors.

This report was approved by order of the board of trustees on 10 December 2013 and signed on its behalf by:

  
.....  
**Mr Michael J Ray**  
Chair of Directors

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### GOVERNANCE STATEMENT

---

#### Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Holy Family Catholic Academy Trust 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 Head Teachers, as Accounting Officers, 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 Holy Family Catholic Academy Trust 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 Directors' Report and in the Directors' Responsibilities Statement. The board of trustees has formally met 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
Mike Ray, Chair	3	4
Canon Alan Burbidge, Vice Chair and Chair of Governors at St Georges	3	4
Fr. Paul Chipchase, Foundation	4	4
Ellis Field, Foundation	4	4
Andrew Hall, Parent Governor	3	4
Patricia Hurd, Head - St Georges	3	4
Richard Price, Parent Governor	4	4
Christopher Reynolds, Head - Saint Benedict	4	4
S Lobb	3	3
Fr. Kirkham	0	2

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holy Family Catholic Academy Trust for the period 24 July 2012 to 31 August 2013 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 24 July 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.



# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## GOVERNANCE STATEMENT (continued)

---

### The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the local governing bodies 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 to appoint Central Midlands Audit Partnership (CMAP) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

CMAP has delivered their schedule of work as planned and did not identify any significant internal control weaknesses.

### Review of Effectiveness


As Accounting Officers, the Head Teachers have responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officers has been advised of the implications of the result of their review of the system of internal control by the internal auditors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2013 and signed on their behalf, by:

  
.....  
**Mr Michael J Ray**  
Chair of Directors

  
.....  
**Dr Christopher B A Reynolds**  
Accounting Officer

  
.....  
**Mrs Patricia Hurd**  
Accounting Officer

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

---

As Accounting Officers of Holy Family Catholic Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy Trust board of trustees are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2012).

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



**Dr Christopher B A Reynolds  
and Mrs Patricia Hurd**  
Accounting Officers

Date: 10 December 2013

# HOLY FAMILY CATHOLIC ACADEMY TRUST (A Company Limited by Guarantee)

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2013

---

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 and signed on its behalf by:



.....  
**Mr Michael J Ray**  
Chair of Directors

**Date: 10 December 2013**

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLY FAMILY CATHOLIC ACADEMY TRUST**

---

We have audited the financial statements of Holy Family Catholic Academy Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

#### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

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

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

#### **Opinion on financial statements**

In our opinion the financial statements:

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**HOLY FAMILY CATHOLIC ACADEMY TRUST  
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLY FAMILY CATHOLIC  
ACADEMY TRUST**

---

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Martin Rogers (Senior Statutory Auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

Date: 12 December 2013

# **HOLY FAMILY CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLY FAMILY CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 21 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Family Catholic Academy Trust during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Holy Family Catholic Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holy Family Catholic Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holy Family Catholic Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Holy Family Catholic Academy Trust's accounting officers and the reporting accountant**

The accounting officers is responsible, under the requirements of Holy Family Catholic Academy Trust's funding agreement with the Secretary of State for Education dated September 2012, and the Academies Financial Handbook extant from 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**HOLY FAMILY CATHOLIC ACADEMY TRUST  
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY  
TO HOLY FAMILY CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING  
AGENCY (continued)**

---

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

Date: 12 December 2013

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
*(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)*  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income - on conversion	2	252,566	(3,773,555)	19,458,758	15,937,769
Investment income	3	4,144	-	-	4,144
Incoming resources from charitable activities	4	-	10,182,919	297,469	10,480,388
Other incoming resources	5	283,305	262,844	-	546,149
<b>Total incoming resources</b>		<b>540,015</b>	<b>6,672,208</b>	<b>19,756,227</b>	<b>26,968,450</b>
<b>Resources expended</b>					
Charitable activities	7	393,015	9,697,541	413,271	10,503,827
Governance costs	8	-	214,793	-	214,793
<b>Total resources expended</b>		<b>393,015</b>	<b>9,912,334</b>	<b>413,271</b>	<b>10,718,620</b>
<b>Net incoming resources / (resources expended) before transfers</b>		<b>147,000</b>	<b>(3,240,126)</b>	<b>19,342,956</b>	<b>16,249,830</b>
Transfers between Funds	19	130,365	(327,027)	196,662	-
<b>Net income for the period</b>		<b>277,365</b>	<b>(3,567,153)</b>	<b>19,539,618</b>	<b>16,249,830</b>
Actuarial gains and losses on defined benefit pension schemes		-	(64,000)	-	(64,000)
<b>Net movement in funds for the period</b>		<b>277,365</b>	<b>(3,631,153)</b>	<b>19,539,618</b>	<b>16,185,830</b>
Total funds at 24 July 2012		-	-	-	-
<b>Total funds at 31 August 2013</b>		<b>277,365</b>	<b>(3,631,153)</b>	<b>19,539,618</b>	<b>16,185,830</b>

All of the academy trust's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 45 form part of these financial statements.



# HOLY FAMILY CATHOLIC ACADEMY TRUST

Registered number: 8155184

(A Company Limited by Guarantee)

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Note	£	2013 £
<b>Fixed assets</b>			
Tangible assets	15		19,539,618
<b>Current assets</b>			
Stocks	16	1,937	
Debtors	17	199,535	
Cash at bank		864,289	
		<u>1,065,761</u>	
<b>Creditors:</b> amounts falling due within one year	18	<u>(257,549)</u>	
<b>Net current assets</b>			<u>808,212</u>
<b>Total assets less current liabilities</b>			<u>20,347,830</u>
Defined benefit pension scheme liability	23	<u>(4,162,000)</u>	
<b>Net assets including pension scheme liabilities</b>			<u><u>16,185,830</u></u>
<b>Funds of the academy</b>			
Restricted funds:			
Restricted funds	19	530,847	
Restricted fixed asset funds	19	19,539,618	
		<u>20,070,465</u>	
Restricted funds excluding pension liability		<u>(4,162,000)</u>	
Pension reserve			
Total restricted funds			15,908,465
Unrestricted funds	19		<u>277,365</u>
<b>Total funds</b>			<u><u>16,185,830</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 10 December 2013 and are signed on their behalf, by:

  
.....  
**Mr Michael J Ray**  
Chair of Directors

The notes on pages 25 to 45 form part of these financial statements.

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

	<b>Note</b>	<b>2013</b> <b>£</b>
Net cash flow from operating activities	<b>21</b>	763,940
Capital expenditure and financial investment		(196,662)
Cash transferred on conversion to an Academy Trust		297,011
<b>Increase in cash in the period</b>		<u>864,289</u>

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

	<b>2013</b> <b>£</b>
Increase in cash in the period	864,289
<b>Movement in net funds in the period</b>	<u>864,289</u>
<b>Net funds at 31 August 2013</b>	<u>864,289</u>

---

The notes on pages 25 to 45 form part of these financial statements.

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

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 1. Accounting Policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

##### 1.2 Company status

The Academy Trust is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

##### 1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.4 Going concern

The Directors 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 Academy Trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### 1.5 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 1. Accounting Policies (continued)

##### 1.6 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy Trust being notified of an impending distribution or the legacy being received.

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

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

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

##### 1.7 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 1. Accounting Policies (continued)

##### 1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are considered for capitalisation.

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

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land and buildings -	2 % straight line
Fixtures and fittings -	10 % straight line
Computer equipment -	33.3 % straight line

##### 1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 1.10 Stocks

Stocks are valued at the lower of cost and net realisable value.

##### 1.11 Pensions

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 1. Accounting Policies (continued)

##### 1.11 Pensions (continued)

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

##### 1.12 Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Saint Benedict Catholic School and St George's Catholic Primary School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Holy Family Catholic Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in Note 25.

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**2. Voluntary income**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
Assets transferred from Local Authority on conversion	252,566	15,640,758	15,893,324
School fund transferred on conversion	-	44,445	44,445
	<hr/>	<hr/>	<hr/>
Voluntary income	<u>252,566</u>	<u>15,685,203</u>	<u>15,937,769</u>

**3. Investment income**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
Investment income	4,144	-	4,144
	<hr/>	<hr/>	<hr/>
	<u>4,144</u>	<u>-</u>	<u>4,144</u>

**4. Funding for Academy's educational operations**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
<b>DfE/EFA revenue grant</b>			
General Annual Grant (GAG)	-	9,662,509	9,662,509
Start up grants	-	25,000	25,000
Other DfE/EFA grants	-	323,680	323,680
	<hr/>	<hr/>	<hr/>
	-	10,011,189	10,011,189
<b>Other government grants</b>			
Local authority grants	-	158,690	158,690
Other grants	-	13,040	13,040
	<hr/>	<hr/>	<hr/>
	-	171,730	171,730
<b>DfE/EFA capital grants</b>			
Devolved formula capital allocations	-	297,469	297,469
	<hr/>	<hr/>	<hr/>
	-	297,469	297,469
	<hr/>	<hr/>	<hr/>
	-	10,480,388	10,480,388
	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>10,480,388</u>	<u>10,480,388</u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**5. Other incoming resources**

	<b>Unrestricted funds 2013 £</b>	<b>Restricted funds 2013 £</b>	<b>Total funds 2013 £</b>
Academy trips	-	219,049	219,049
Sundry income	283,305	43,795	327,100
	<u>283,305</u>	<u>262,844</u>	<u>546,149</u>

**6. Resources expended**

	<b>Staff costs £</b>	<b>Premises £</b>	<b>Other costs £</b>	<b>2013 £</b>
<b>Academy's educational operations</b>				
- Direct costs	6,914,131	353,186	720,205	7,987,522
- Allocated support costs	1,269,189	834,732	412,384	2,516,305
Sub total	<u>8,183,320</u>	<u>1,187,918</u>	<u>1,132,589</u>	<u>10,503,827</u>
Governance costs including allocated support costs	-	-	214,793	214,793
Total	<u>8,183,320</u>	<u>1,187,918</u>	<u>1,347,382</u>	<u>10,718,620</u>



**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**7. Direct costs**

	Unrestricted £	Restricted £	Total 2013 £
<b>Teaching and educational support staff</b>			
Wages and salaries	-	5,814,429	5,814,429
National insurance	-	404,841	404,841
Pension costs	-	694,861	694,861
Sub total	-	6,914,131	6,914,131
Depreciation	-	353,186	353,186
Educational supplies	-	266,284	266,284
Exam fees	-	129,581	129,581
Staff development	-	47,316	47,316
School trips	-	184,349	184,349
Other direct costs	-	92,675	92,675
Total	-	7,987,522	7,987,522

**Support costs**

	Unrestricted £	Restricted £	Total 2013 £
<b>Support staff costs</b>			
Wages and salaries	114,810	650,645	765,455
National insurance	3,231	41,699	44,930
Pension costs	11,950	290,854	302,804
FRS17 pension costs	-	156,000	156,000
Sub total	129,991	1,139,198	1,269,189
Depreciation	-	60,085	60,085
Maintenance of premises and equipment	-	331,339	331,339
Cleaning	-	26,043	26,043
Rent, rates and utilities	6,622	251,263	257,885
Insurance	-	123,106	123,106
Security and transport	-	36,274	36,274
Catering	256,402	-	256,402
Bank interest and other charges	-	316	316
Other support costs	-	155,666	155,666
Total	393,015	2,123,290	2,516,305

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**8. Governance costs**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Governance Internal audit costs	-	22,068	22,068
Governance Auditors' remuneration	-	11,000	11,000
Governance Auditors' non audit costs	-	6,800	6,800
Legal and professional fees	-	174,925	174,925
	<u>-</u>	<u>214,793</u>	<u>214,793</u>

**9. Net incoming resources / (resources expended)**

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets:	
- owned by the charity	413,271
Auditors' remuneration	11,000
Auditors' remuneration - non-audit	6,800
Governance Internal audit costs	22,068
Operating leases	18,185
	<u>471,324</u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

---

**10. Staff costs**

Staff costs were as follows:

	<b>2013</b>
	<b>£</b>
Wages and salaries	6,365,700
Social security costs	449,771
Other pension costs (Note 23)	997,665
	<hr/>
Supply teacher costs	7,813,136
	97,335
	<hr/>
	<b>7,910,471</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
Teachers	128
Administration and support	107
	<hr/>
	235
	<hr/> <hr/>

The number of employees whose emoluments fell within the following bands was:

	<b>2013</b>
	<b>No.</b>
In the band £60,001 - £70,000	2
In the band £100,001 - £200,000	1
	<hr/>
	3
	<hr/> <hr/>

The above individuals are members of the Teachers Pension Scheme and during the period contributions totalling £32,400 were made by the Trust.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 11. Directors' remuneration and expenses

During the period retirement benefits were accruing to 3 Directors in respect of defined contribution pension schemes.

The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Directors. The value of Directors' remuneration fell within the following bands:

	<b>2013</b>
	<b>£</b>
Mrs Patricia Hurd	65,000-70,000
Dr Christopher B A Reynolds	115,000-120,000

During the period, no Directors received any reimbursement of expenses.

#### 12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- financial services
- legal services
- others as arising

The Academy Trust charges for these services on the following basis:

Each academy within the Trust allocates 0.003% of the EFA budget for central services.

The actual amounts charged during the year were as follows:

	<b>2013</b>
	<b>£</b>
Saint Benedict Catholic Voluntary Academy	24,488
St George's Catholic Voluntary Academy	4,120
Total	<u>28,608</u>

#### 13. Directors' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,011.

The cost of this insurance is included in the total insurance cost.

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**14. Other finance income**

	<b>2013</b>
	<b>£</b>
Expected return on pension scheme assets	24,000
Interest on pension scheme liabilities	(180,000)
	<u>(156,000)</u>

**15. Tangible fixed assets**

	Long leasehold land & buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
Additions	478,067	11,485	4,579	494,131
Transfer on conversion	19,000,000	245,686	213,072	19,458,758
At 31 August 2013	<u>19,478,067</u>	<u>257,171</u>	<u>217,651</u>	<u>19,952,889</u>
<b>Depreciation</b>				
Charge for the period	302,479	29,015	81,777	413,271
At 31 August 2013	<u>302,479</u>	<u>29,015</u>	<u>81,777</u>	<u>413,271</u>
<b>Net book value</b>				
At 31 August 2013	<u>19,175,588</u>	<u>228,156</u>	<u>135,874</u>	<u>19,539,618</u>

**16. Stocks**

	<b>2013</b>
	<b>£</b>
Goods for resale	1,937
	<u>1,937</u>

**17. Debtors**

	<b>2013</b>
	<b>£</b>
Trade debtors	9,364
Other debtors	60,718
Prepayments and accrued income	129,453
	<u>199,535</u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**18. Creditors:**  
**Amounts falling due within one year**

	<b>2013</b>
	<b>£</b>
Trade creditors	30,333
Other creditors	390
Accruals and deferred income	226,826
	<u>257,549</u>

Deferred income relates to Derby County Council KS1 grant income relating to the period to 1 September 2013 to 31 March 2014,

**Deferred income**

Resources deferred during the year	<u>13,010</u>
------------------------------------	---------------

**19. Statement of funds**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Transfers in/out</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>						
General Funds	-	540,015	(393,015)	130,365	-	277,365
<b>Restricted funds</b>						
General Annual Grant	-	9,662,509	(8,862,366)	(327,027)	-	473,116
Start up grant	-	25,000	(25,000)	-	-	-
Other govt grants	-	495,410	(495,410)	-	-	-
Other restricted	-	307,289	(249,558)	-	-	57,731
Pension reserve	-	(3,818,000)	(280,000)	-	(64,000)	(4,162,000)
	<u>-</u>	<u>6,672,208</u>	<u>(9,912,334)</u>	<u>(327,027)</u>	<u>(64,000)</u>	<u>(3,631,153)</u>
<b>Restricted fixed asset funds</b>						
GAG	-	-	(16,495)	196,662	-	180,167
Devolved formula capital	-	297,469	(25,736)	-	-	271,733
Capital donations	-	19,458,758	(371,040)	-	-	19,087,718
	<u>-</u>	<u>19,756,227</u>	<u>(413,271)</u>	<u>196,662</u>	<u>-</u>	<u>19,539,618</u>
Total restricted funds	<u>-</u>	<u>26,428,435</u>	<u>(10,325,605)</u>	<u>(130,365)</u>	<u>(64,000)</u>	<u>15,908,465</u>
Total of funds	<u>-</u>	<u>26,968,450</u>	<u>(10,718,620)</u>	<u>-</u>	<u>(64,000)</u>	<u>16,185,830</u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**19. Statement of funds (continued)**

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Directors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

The transfers between funds relate to the following:

- The transfer between Restricted and Restricted Fixed Asset funds relates to funds allocated from General Annual Grant to purchase fixed assets; and
- The transfer between Restricted and Unrestricted relates to reallocation of funds in relation to catering activities.

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 2013.

**Analysis of academies by fund balance**

Fund balances at 31 August 2013 were allocated as follows:

Saint Benedict Catholic Voluntary Academy	377,109
St George's Catholic Voluntary Academy	402,494
Central services	28,609
	<hr/>
Total before fixed asset fund and pension reserve	808,212
Restricted fixed asset fund	19,539,618
Pension reserve	(4,162,000)
	<hr/>
Total	<u>16,185,830</u>

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Saint Benedict Catholic Voluntary Academy	6,028,439	1,134,502	238,756	1,487,259	8,888,956
St George's Catholic Voluntary Academy	933,008	134,687	27,528	321,170	1,416,393
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6,961,447</u>	<u>1,269,189</u>	<u>266,284</u>	<u>1,808,429</u>	<u>10,305,349</u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**Summary of funds**

	<b>Brought Forward</b>	<b>Incoming resources</b>	<b>Resources Expended</b>	<b>Transfers in/out</b>	<b>Gains/ (Losses)</b>	<b>Carried Forward</b>
	£	£	£	£	£	£
General funds	-	540,015	(393,015)	130,365	-	277,365
Restricted funds	-	6,672,208	(9,912,334)	(327,027)	(64,000)	(3,631,153)
Restricted fixed asset funds	-	19,756,227	(413,271)	196,662	-	19,539,618
	-	26,968,450	(10,718,620)	-	(64,000)	16,185,830

**20. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	£	£	£	£
Tangible fixed assets	-	-	19,539,618	19,539,618
Current assets	277,365	788,396	-	1,065,761
Creditors due within one year	-	(257,549)	-	(257,549)
Provisions for liabilities and charges	-	(4,162,000)	-	(4,162,000)
	277,365	(3,631,153)	19,539,618	16,185,830

**21. Net cash flow from operations**

	<b>2013</b>
	£
Net incoming resources before revaluations	16,249,830
Inherited defined benefit pension scheme liability	3,818,000
Donated assets	(19,458,758)
Depreciation of tangible fixed assets	413,271
Increase in debtors	(199,535)
Increase in stock	(1,937)
Increase in creditors	257,549
Cash transferred on conversion	(297,011)
Capital grants from DfE	(297,469)
FRS 17 adjustments	280,000
<b>Net cash inflow from operations</b>	<b>763,940</b>



**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

	<b>2013</b> £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(494,131)
Capital grants from DfE	297,469
	(196,662)
<b>Net cash outflow capital expenditure</b>	(196,662)

**22. Analysis of changes in net funds**

	<b>24 July</b> <b>2012</b> £	<b>Cash flow</b> £	<b>Other</b> <b>non-cash</b> <b>changes</b> £	<b>31 August</b> <b>2013</b> £
Cash at bank and in hand:	-	864,289	-	864,289
<b>Net funds</b>	-	864,289	-	864,289

**23. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 August 2012.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 23. Pension commitments (continued)

##### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

##### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

##### **Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

---

#### 23. Pension commitments (continued)

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th ; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £422,000, of which employer's contributions totalled £315,000 and employees' contributions totalled £107,000. The agreed contribution rates for future years are 12% for employers and for employees varies from 5.5% to 7.5% depending on the level of salary. A full actuarial valuation is currently in progress in order to review the current contribution rates. The results of this will not be known until the new year and may impact on the rates as mentioned above.

As described in note 26 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**23. Pension commitments (continued)**

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

	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £</b>
Equities	6.60	551,000
Bonds	3.70	144,000
Property	4.70	40,000
Cash	3.60	64,000
Total market value of assets		<u>799,000</u>
Present value of scheme liabilities		<u>(4,961,000)</u>
(Deficit)/surplus in the scheme		<u><u>(4,162,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	<b>2013 £</b>
Present value of funded obligations	(4,961,000)
Fair value of scheme assets	<u>799,000</u>
Net liability	<u><u>(4,162,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2013 £</b>
Current service cost	(439,000)
Interest on obligation	(180,000)
Expected return on scheme assets	<u>24,000</u>
Total	<u><u>(595,000)</u></u>
Actual return on scheme assets	<u><u>71,000</u></u>

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**23. Pension commitments (continued)**

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

	<b>2013</b>
	<b>£</b>
Current service cost	439,000
Interest cost	180,000
Contributions by scheme participants	107,000
Actuarial Losses	113,000
Inherited	4,122,000
	<hr/>
Closing defined benefit obligation	4,961,000
	<hr/> <hr/>

Movements in the fair value of the Academy Trust's share of scheme assets:

	<b>2013</b>
	<b>£</b>
Expected return on assets	24,000
Actuarial gains and (losses)	49,000
Contributions by employer	315,000
Contributions by employees	107,000
Inherited	304,000
	<hr/>
	799,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(64,000).

The Academy Trust expects to contribute £652,000 to its Defined Benefit Pension Scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2013</b>
European equities	69.00 %
Bonds	18.00 %
Property	5.00 %
Cash/liquidity	8.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	<b>2013</b>
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.70 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

**HOLY FAMILY CATHOLIC ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**23. Pension commitments (continued)**

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

	<b>2013</b>
Retiring today	
Males	22.1
Females	24.7
Retiring in 20 years	
Males	23.9
Females	26.7

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2013</b>
	<b>£</b>
Defined benefit obligation	(4,961,000)
Scheme assets	799,000
Deficit	<u>(4,162,000)</u>
Experience adjustments on scheme assets	<u>49,000</u>

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.

**24. Operating lease commitments**

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

	<b>Land and buildings</b>	<b>Other</b>
	<b>2013</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between 2 and 5 years	-	17,965
After more than 5 years	-	220
	<u>          </u>	<u>          </u>

# HOLY FAMILY CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

#### 25. Related party transactions

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

#### 26. Conversion to an Academy Trust

On 1 September 2012 Saint Benedict Catholic Voluntary Academy and St George's Catholic Voluntary Academy School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the trust from Derbyshire County Council for £nil consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Leasehold land and buildings	-	-	19,000,000	19,000,000
Other tangible fixed assets	-	-	458,758	458,758
Budget surplus on local authority funds	252,566	-	-	252,566
Surplus on other school funds	-	44,445	-	44,445
LGPS pension deficit	-	(3,818,000)	-	(3,818,000)
<b>Total</b>	<u>252,566</u>	<u>(3,773,555)</u>	<u>19,458,758</u>	<u>(15,937,769)</u>

The land and buildings were transferred over to the academy trust under a 125 year lease. The assets were valued by external valuers: Innes England Property Consultants using the depreciated replacement cost method.

Fixtures and computer equipment were valued by the local governing body of each academy to give a reasonable estimate of the depreciated value of assets transferred on conversion.

Each of the LGPS pension deficits have been valued by the external actuary Hymans Robertson.

The above net assets include £297,011 that were transferred as cash.