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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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<b>Members</b>	Bishop Malcolm Patrick McMahon (appointed 14 June 2013) Rev. Martin Hardy (appointed 14 June 2013) Rev. Chris Thomas (appointed 14 June 2013) Rev. John Guest (appointed 14 June 2013)
<b>Directors/Trustees</b>	Mr J McGlynn, (Chairman) Foundation Director (appointed 25 June 2012) Mr S Smith, (Chair of St. Martin's Catholic Voluntary Academy) (appointed 25 June 2012) Mrs B M Carson, (Principal and Accounting Officer) (appointed 25 June 2012) Mr D Pickens, (Parent Director) (appointed 25 June 2012) Mrs H White, (Foundation Diocesan Director) (appointed 29 June 2012) Mrs M Hobbs, (Foundation Diocesan Director) (appointed 25 June 2012) Mrs J Orton (appointed 25 June 2012, resigned 1 December 2012) Mr V Abraham, (Foundation Dominican Director) (appointed 29 June 2012)
<b>Company secretary</b>	Mrs L Lester
<b>Principal and registered office</b>	Saint Martin's Catholic Voluntary Academy Stoke Golding Nuneaton Warwickshire CV13 6HT
<b>Company registered number</b>	08106388
<b>Independent auditors</b>	Bates Weston Audit Limited Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
<b>Bankers</b>	Natwest 1 Market Place Nuneaton Warwickshire CV11 4YY
<b>Senior management team</b>	Mrs B M Carson, Principal Mrs L Lynch Kelly, Acting Vice-Principal Mr P Murphy, Assistant Principal Mr D Carton, Acting Assistant Principal Mrs L Lester, Strategic Business Manager
<b>Solicitors</b>	Browne Jacobson Castle Meadow Road Nottingham NG2 1BJ

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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Trustees (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 Saint Dominic's Catholic Academy Trust (the academy) for the period ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The charitable company was incorporated on 14 June 2012 and commenced trade as an Academy on 1 July 2012.

### **Structure, Governance and Management**

#### **Constitution**

Saint Dominic's Catholic Academy Trust (the 'Company') is a company limited by guarantee and an exempt charity. The Company is governed by a Board of Directors that is responsible for, and oversees, the management and administration of the Company and the academies run by the Company.

Saint Dominic's was set up as a Multi Academy Trust, however the two Primary Schools associated with the Saint Martin's Catholic Voluntary Academy have yet to join the Trust. Therefore, Saint Dominic's Catholic Academy Trust, trades as Saint Martin's Catholic Voluntary Academy

The Charitable Company's memorandum and Articles of Association are the primary governing documents of the academy trust.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees and directors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

#### **Principal Activities**

The principle activity of the Company, as set out in the Articles of Association and funding agreement, is specifically restricted to the following: to advance (for the public benefit) education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such ("the Academies") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law

#### **Method of Recruitment and Appointment or Election of Trustees**

The company's Memorandum and Articles of Association are the primary governing documents of the Trust. Members of Saint Dominic's are nominated by the Secretary of State for Education, The Roman Catholic Diocese and The Dominican Order.

The number of Directors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All Directors shall upon their appointment or election give a written undertaking to the Trustees, the Order and the Diocesan Bishop to uphold the Object of the Academy Trust

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

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Subject to Articles 48 - 63, the Company shall have the following Directors:

- a. Up to 1 Director save that no more than one third of the total number of individuals appointed as Directors shall be employees of the Academy Trust (including the Executive Principal and the Principals)
- b. A minimum of 4 Foundation Directors: 3 Foundation Directors appointed by the Diocesan Bishop, 1 Foundation Director appointed by the Dominican Order and that the total number of Foundation Directors, shall always be two more than the total number of other Directors (excluding Academy Directors and Foundation Directors)
- c. The chairman of each Local Governing Body shall be an Academy Director for as long as he/she remains in office as such and shall be appointed by the Directors of the Company, but they shall appoint as the chairman of a Local Governing Body someone other than the Executive Principal. If the number of Academies within the Trust exceeds 10, the chairmen of the Local Governing Bodies shall elect 10 persons from amongst their numbers to be the Academy Directors.
- d. There shall be a minimum of 2 Parent Directors for every 10 or fewer Academies within the Trust. The Parent Directors shall be elected by the parent members of the Local Governing Bodies. The elected Parent Directors must be a parent of a registered pupil at one of the Academies at the time when he/she is elected
- e. Three co-opted Directors may be appointed provided that if any such Directors are appointed the number of Foundation Directors permitted by Articles 46 and 50A shall increase proportionately to ensure that a majority of Directors are Foundation Directors.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The induction, training and support programme for Directors of the Trust will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however, some general principles outlined below which should be common to all.

- It is expected that the incumbent Directors will provide a practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new Directors to integrate into a new situation
- Prior to taking up the appointment the new Director will be welcome to visit any Academy within the Trust as necessary to meet key people as appropriate
- Other Directors will be informed of any new appointments
- Every Director should be prepared to offer support to new Directors as appropriate. In some circumstances it may be advisable to appoint a short term mentor to provide individual support

**Organisational Structure**

The management structure consists of four levels; the members of the Company, the Directors of the Company (also known as Trustees), the Local Governing Body and Senior Leadership Team of St. Martin's Catholic Voluntary Academy. The aim of this structure is to devolve responsibility to those best able to make the appropriate decisions.

The Directors are there to support the Principal and Senior Leadership team in the running of the Academy and have no ambition to run the Academy on a day-to-day basis. Along with this governance role the Directors are there to give support and advice when asked and to be roving ambassadors for the Academy and what it is trying to achieve.

There is one Committee known as the Executive Committee. The Directors normally meet once each academic term to discuss and consider strategic matters relating to the development of the Academies within the Trust. The Executive Committee establishes an overall framework for the governance of the Academy and agrees membership of the Committee.

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

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In general terms, the responsibility of the Directors in so far as the business of the Academy is concerned is to determine the policy and procedures of the Academy. The management of the business of the Academy is delegated by the Directors to each Local Governing Body who may exercise the powers of the Company set out in articles 5 (b), (d), (f), (h), (i), (j), (k), (p) and (r) of the Articles of Association in so far as they relate to the Academy and provided that they are not Reserved Matters. The following decisions are reserved to the Directors:

- Ensuring compliance with the Company's duties under Company and Charity Law and agreements made with the DfE, including the Master Funding Agreement and the Supplemental Funding Agreement
- The determination of the educational character, religious ethos and mission of the Academy and the Company
- Ensuring the solvency of the Company, safeguarding its assets and delivering its charitable outcomes
- Ensuring the continued charitable status of the Company
- Determination of the establishment, constitution, membership, proceedings and delegated powers and functions of any local governing body and committee and their annual review and revision
- The approval of the Company and the Academy's policies which, for the avoidance of doubt shall not restrict each Local Governing Body's ability to set its own policy and procedures, where appropriate
- To receive reports, and in particular policy documents from the Local Governing Body Committees for ratification.
- Selling or disposing of any asset which is of a value in excess of 10% of the total net book value of all assets belonging to the Academy
- Giving any guarantee or indemnity other than in the ordinary course of business, the value of which exceeds £1000
- Entering into a contract or arrangement which is of a value of in excess of 10% of the General Annual Grant for the Academy per year or which the termination provisions require more than six months' notice
- Acquiring assets having a market value in excess of 5% of the GAG for the Academy
- Entering into, varying or terminating any lease, licence, tenancy or other similar arrangement
- Any lending
- Commencing or settling any litigation or arbitration proceedings
- Entering into any other arrangement in the nature of borrowing (including debts factoring, invoice discounting, hire purchase, equipment leasing, conditional or credit sales or any off balance sheet borrowings) if the value of the amount borrowed exceeds 5% of the GAG for that Academy
- Terminating or varying the terms of any contract which has a value in excess of 10% of the GAG for that Academy
- Engaging any employee or consultant whose annual emoluments per annum exceeds the total annual emoluments of the Principal of that Academy per annum
- Varying the terms and conditions of that engagement so that the terms and conditions of that engagement are no longer comparable to the equivalent engagement in one or more of the Academies within the Company
- Establishing or amending any pension scheme or granting any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family

Subject to the Academy Trust's Scheme of Delegation, Local Governing Bodies may establish any subcommittee. The constitution, membership and proceedings of any subcommittee shall be determined by each Local Governing Body but having regard to any views of the Directors. The establishment, terms of reference, constitution and membership of any subcommittee shall be reviewed at least once in every twelve months.

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

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The Executive Committee will specifically monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to ensure that full accounts are kept; to arrange appropriate insurance cover; to receive the termly report of Internal Audit; to receive termly financial reports/position from the Academies within the Trust to the Executive Committee at least once a term.

The Principal is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Academies Financial Handbook page 11.

### **Risk Management**

The Directors are responsible for the management of risks to which the Academy Trust is exposed, and have undertaken a review of risks associated with its activities. The key controls used by the Academy Trust include:

- Formal agendas for Executive Committee meetings
- Detailed Articles and Scheme of Delegation
- A clear School Improvement Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed in a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- A clear succession planning policy

The Directors of the Executive Committee have reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The Directors of the Executive Committee are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### **Connected Organisations, including Related Party Relationships**

The Academy Trust is an Umbrella Trust which currently consists of one Academy within the Trust. Two Catholic Primary Schools may join the trust in the near future. Saint Dominic's Catholic Academy Trust seeks to advance the education of students of any member academies through partnership and collaboration, and staff from the Academy Trust have been actively involved in a wide variety of meetings and training events during the period under review.

### **Objectives and Aims**

Each Academy is a Catholic school, designated as such, the Directors are also accountable to the Bishop of the Roman Catholic Diocese of Nottingham to ensure that the Academy is conducted as a Catholic school in accordance with the Canon Law and teachings of the Roman Catholic Church so that at all times the Academy may serve as witness to the Catholic faith in Our Lord Jesus Christ.

At the last Ofsted inspection (July 2012) Saint Martin's Catholic Voluntary Academy was designated 'outstanding' and, in September 2012 the Academy gained 'outstanding' in a Section 48 (Diocese) Inspection.

The principle aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become good and emotionally well-balanced young people.

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**TRUSTEES' REPORT (continued)**  
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Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere
- To provide an environment that enables students to learn and teachers to teach effectively
- To promote and recognise high standards of achievement in all spheres of activity
- To help students form successful relationships characterised by understanding others, tolerance, trust and self-respect
- To broaden horizons and to promote an interest in and respect for the local, national and global communities and their cultures
- To develop physical emotional health and a sense of the importance of morality and personal responsibility
- To encourage discernment, good judgement and self-discipline
- To provide equality of opportunity for all
- To develop an understanding of our responsibility as global citizens to live in a sustainable way

**Objectives, Strategies and Activities**

Key influences on the Academy Trust's Improvement Plan for the period under review were the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status and the successful outcome of Saint Martin's 14-16 Age Extension Bid.

Key activities and targets as identified in the Improvement Plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding.

The current targets include:

- Preparation and planning for 14 -16 first Y10 cohort September 2014
- Focus on vulnerable groups achievement
- Maintain outstanding provision by Ofsted and Section 48 (Diocese)
- Developing the teaching and learning environment of the Academy to meet future needs ie. 14-16
- Research into Key Stage 4 curriculum in all subject areas, participation in learning networks and supporting the work of Lead Practitioners in English.
- Developing relationships beyond the Academy as means of benefiting from the experience of industry, commerce, other schools and the voluntary sector to the education of students.

**RAISE STANDARDS & IMPROVING OUTCOMES**

The successful age range extension to 14-16 will raise standards and improve outcomes for young people for the following reasons:

- allow students to continue learning in a Catholic environment where the development of the whole person (including, but not exclusive to, academic achievement) is the primary concern
- allow students to avoid a transition process that some find educationally disruptive and even detrimental to emotional well-being and therefore attainment outcomes.
- give students and parents the option of a small-school environment to which they may be better suited
- remove the need for students to build new relationships with adults and peers at the same time as embarking upon studies for their first formal qualifications
- the most recent available evidence suggests that Leicestershire students who attend through schools outperform those students who move from High Schools to Upper Schools
- teachers will be in a better position to prepare students at KS3 for the demands of KS4 by virtue of teaching both
- students would be continuing at an outstanding school that is consistently at or near the top of the county's performance league table for KS3, and which would be targeting a similar position for KS4 (NB Leicestershire is the lead county in England for outcomes in KS3).
- the results of a GCSE Maths module taken at Saint Martin's by the Y9 of 2010/11 were the best among the Hinckley High Schools, and indicative of a school that knows how to get the best out of its students

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

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- the curriculum that most students would follow would be one that focuses on the subjects most highly valued by the government, employers and the Russell Group universities, making it realistic for students of all backgrounds to be aspirational
- less academic students would receive thorough support in order to ensure that they leave school having achieved their potential in employer-valued qualifications, able to continue successfully into the next stage of their educational pathway.
- students would be provided with opportunities that changing schools at the age of 14 makes impractical

**LEARNING ENVIRONMENT**

- Saint Martin's learning environment is comfortably able and ready to meet the capacity required for this age range extension
- Extension planning is creative and proactive to ensure the learning environment will enhance the whole school, to drive further improvements and opportunities for continued outstanding student learning

**Public Benefit**

The Directors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Saint Dominic's Trust provides an education to children and young people that is:

- Balanced and broadly based
- Promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society
- Prepares students at the school for the opportunities, responsibilities and experiences of later life
- Promotes, sustains and increases individual and collective knowledge and understand of specific areas of study, skills and expertise.

Under Article 4(b) of the Articles of Association the Trust will promote for the benefit of the inhabitants of the areas in which the Academies are located and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

**Achievements and Performance**

The targets the Directors are setting aim to improve upon GCSE results obtained in 2012 by those students who left us in 2010. In the core subjects, their results were as follows:

<b>A*-C (ENGLISH)</b>	<b>A*-C (MATHS)</b>	<b>A*-C (SCIENCE)</b>
77.3%	72.1%	76.9%

The initial aim would be to raise these figures (taken as an average over three years in order to account for differences in ability between cohorts) above 80% in English and Science, and above 75% in Maths. The Trust would also aim for at least 75% of students to attain 5 or more good GCSEs/equivalents (higher than any non-independent school in the county).\* Our KS3 results, based on work moderated across the Hinckley High Schools and seen by Ofsted during their 'Outstanding' assessment of our school in July 2012, suggest that this is achievable. Furthermore, results in GCSE exams taken by Year 9 students while at Saint Martin's Academy also indicate that such targets - though ambitious - are realistic, with 69% of Year 9 students in 2011 attaining an A\*-C grade in a GCSE Maths module (only three percentage points below the results obtained at Upper Schools by the Saint Martin's class of 2009 after two extra years of study). With a further two years to work with our students, we would confidently expect to raise that figure by at least 7 percentage points, and to likewise exceed current KS4 outcomes in other curriculum areas.

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**TRUSTEES' REPORT (continued)**  
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Summary of proposed KS4 targets:\*\*

<b>MEASURE</b>	<b>2016-2018</b>	<b>2017-2019</b>	<b>2018-2020</b>
5+ A*-C Grades (or equivalent)	75%	76%	77%
5+ A*-C Grades (or equivalent) inc. English and Maths	70%	71%	72%
Students attaining EBacc	30%	32%	34%
5+ A*-C Grades (or equivalent) inc. English and Maths for FSM students	60%	62%	63%
Attendance	94.5%	94.8%	95%
No. of permanent exclusions	0	0	0

The Trust also has very high ambitions for all students' academic achievements and the curriculum proposals for KS4 reflect that. All students will study the core subjects of English (both English Language and most will study Literature), Maths, at least one Science and (as a Catholic school) Religious Studies at GCSE, with most then following a pathway that involves Additional Science and choosing a modern foreign language and either Geography or History. As such, most of our students will follow a suite of subjects that, if completed successfully, would meet the criteria of the English Baccalaureate.\*\*\* Students will then be able to choose from a range of options to complete their curriculum. Most students following this pathway would study for nine GCSEs. For those who are identified at KS3 as particularly academic and unlikely to need timetabled study support, there would be the option of studying for ten (incorporating supplementary twilight lessons).

\* See [http://www.bbc.co.uk/news/special/education/school\\_tables/secondary/11/html/855.stm](http://www.bbc.co.uk/news/special/education/school_tables/secondary/11/html/855.stm)

\*\* These figures have been arrived at with the ambitions of: improving upon KS4 results attained by former students in the summer of 2012; being the highest performing non-independent secondary school within the LA; demonstrating continued improvement; and narrowing the gap between vulnerable groups and the cohort as a whole.

\*\*\* While this is not in itself a qualification for the students, it is made up of certificates that are held in higher esteem by further/higher education establishments and employers than alternative ones (see <http://www.education.gov.uk/schools/teachingandlearning/qualifications/englishbac/a0075975/the-english-baccalaureate> ).

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**TRUSTEES' REPORT (continued)**  
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For those students whose performance at KS3 shows that they are clearly unsuited to such an academic KS4, an alternative pathway would be offered to them that would enable them to gain qualifications in areas where they would be more likely to achieve success while supporting them in securing key skills in English and Maths. The Trust will work in partnership with other schools in the area in order to provide students following this pathway with a suitable range of vocational options alongside any GCSE options to which they may be suited.

The curriculum proposals for KS4, in accordance with the 14-19 strategy, place a lot of emphasis on skills valued by employers, especially literacy and numeracy. Particular support in these areas will be provided for those students in need of it, the aim being that all students leave us suitably skilled for a modern workplace.

In recent years, we have been developing our links with employers at KS3, with trips to work places and visits from industry representatives increasingly common. We plan to develop these links further, creating a role for a member of staff to be in charge of developing our partnerships with local employers. We have members of staff who have already demonstrated suitability for this role.

Our proposal for most students to follow a pathway that incorporates the English Baccalaureate is in line with the government's drive to encourage all suitable students along a traditional academic path. The proposal also responds to the challenge of being aspirational for students from all backgrounds, including those on the vulnerability index, in that it puts at the forefront 'subjects highly valued by the Russell Group'.\*\*\*\* We want as many of our students as possible to be well placed to apply for the best universities, and we believe that our curriculum proposals will help to enable this.

#### **Going Concern**

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

#### **Financial Review and Key Financial Performance Indications**

Directors have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure. Key principles specifically identified in terms of financial planning during the year include:

- Retaining a sharp focus on teaching and learning
- Planning for the long term
- Investing for quality and efficiency
- Ensuring a proactive involvement in national consultations regarding school funding
- Developing a creative response to funding challenges

\*\*\*\* <http://www.russellgroup.ac.uk/media/informed-choices/InformedChoices-latest.pdf> (p21).

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**TRUSTEES' REPORT (continued)**  
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The Directors of Saint Dominic's have delegated the income to be paid direct to the Academy's within the Trust.

Saint Dominic's income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31st August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

The Company also has fixed assets on lease from the Dominican Order. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over 100 years.

During the period ended 31 August 2013, total resources expended of £1,990,260 were covered by grant funding from the EFA together with other incoming resources. The excess of expenditure over income, before the pension deficit, for the period (excluding restricted fixed asset funds) was £177,059.

At 31 August 2013 the net book value of fixed assets was £2,686,874 and movements in tangible fixed assets are shown in note 14 to the accounts. The assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust.

In addition the Academy was successful in the Academies Capital Maintenance Bid for the following projects:

Replacement of existing boilers and Zoning of heating	£204,889
Replacement of Flat Roofs to Main Hall Dining/Kitchen/Food Teach and Art	£176,492

Funds have also been received from students/parents to pay for a wide range of educational visits and activities, and these have been applied to the associated costs.

Key financial policies adopted or reviewed during the year include the Finance Management Handbook and Finance Policy which establishes the framework for financial management, including the key responsibilities of the Directors, the Local Governing Body and key officers of the Academy, as well as delegated authority for spending decisions. This policy is supported by additional policies including

Governors have appointed the Local Authority as their internal Auditors.

#### **Financial and Risk Management Objectives and Policies**

The Directors/Trustees, governors and senior leadership completed a Risk Management Audit which involved identifying the types of risk the Academy faces and the systems in place or that needed to be implemented to mitigate against the risks the Academy now faces.

The Academy now considers systems are in place to mitigate any of the risks identified.

#### **Principle Risks and Uncertainties**

The Risk Management Register identified and reviewed the following risks:

- Strategic and Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial

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**TRUSTEES' REPORT (continued)**  
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**Reserves Policy**

The Academy currently has £146,757 of unrestricted reserves. The Trustees have decided that all unrestricted reserves will be utilised in helping the Academy achieve its objectives.

The actuarial valuation resulting in the pension deficit and the corresponding liability does not result in an immediate cash flow impact to the Academy. The Trustees are confident that any liabilities can be met as they fall due.

The current level of reserves is considered to be appropriate for the Academy. The reserves policy is reviewed annually.

**Investment Policy**

The Academy's investments policy is consistent with its Charitable Status. Investments must always be made in accordance with written procedures adopted by the Governing Body and must always ensure that the maximum integrity of such investments.

**Plans for Future Periods**

The Academy will strive to improve the levels of performance of its students at all levels and make efforts to ensure its students obtain jobs or a place in higher education once they leave. The Academy will also increase its recruitment up to the new agreed levels.

**Auditor**

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 5 December 2013 and signed on its behalf by:

**J McGlynn**  
**Chairman**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Saint Dominic's 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Saint Dominic's 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 Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Smith, (Chairman)	4	5
Mr J McGlynn	5	5
Mrs J Orton	2	2
Mrs B M Carson, (Principal and Accounting Officer)	5	5
Mrs M Hobbs	4	5
Mr D Pickens	4	5
Mrs H White	1	5

The following resigned during the financial year:  
J Orton resigned 1 December 2012

St. Dominic's Catholic Academy Trust has delegated responsibility to the Governing Body of the one Academy within the Trust, Saint Martin's Catholic Voluntary Academy. The main governing body operates with sub-committees. The attendance at these were as follows:

Finance Committee	5 meetings – all quorate
Staffing and Curriculum	3 meetings – all quorate
Health and Safety	2 meetings – all quorate
Full Governing Body	5 meetings – all quorate

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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 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 Saint Dominic's Catholic Academy Trust for the period 14 June 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 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's significant risks, that has been in place for the period 14 June 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.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual 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.

The Directors/Trustees and governors confirm that the Internal Auditors function has been fully delivered in line with the EFA's requirements.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

- the work of the 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 who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2013 and signed on their behalf, by:

**J McGlynn**  
**Chairman**

**B M Carson**  
**Accounting Officer**

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Saint Dominic's Catholic Academy Trust I have considered my responsibility to notify the academy 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 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 board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.

**B M Carson**  
**Accounting Officer**

5 December 2013

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 5 December 2013 and signed on its behalf by:

**J McGlynn**  
**Chairman**

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**

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We have audited the financial statements of Saint Dominic's Catholic Academy Trust for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet 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.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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 Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Wayne Thomas ACA (Senior statutory auditor)  
for and on behalf of  
**Bates Weston Audit Limited**  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

11 December 2013

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SAINT DOMINIC'S  
CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 30 March 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saint Dominic's Catholic Academy Trust during the period 14 June 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 Saint Dominic's 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 Saint Dominic's 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 Saint Dominic's Catholic Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SAINT DOMINIC'S CATHOLIC ACADEMY TRUST'S ACCOUNTING  
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Saint Dominic's Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 29 June 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 14 June 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's income and expenditure.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SAINT DOMINIC'S  
CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 14 June 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.

**Bates Weston Audit Limited**

Statutory Auditors  
The Mills  
Canal Street  
Derby  
DE1 2RJ

11 December 2013

**SAINT DOMINIC'S 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 - transfers on conversion	2	138,865	(354,000)	2,526,000	2,310,865
Activities for generating funds	3	5,399	3,250	-	8,649
Investment income	4	2,493	-	-	2,493
Incoming resources from charitable activities	5	-	1,980,008	190,691	2,170,699
<b>TOTAL INCOMING RESOURCES</b>		<b>146,757</b>	<b>1,629,258</b>	<b>2,716,691</b>	<b>4,492,706</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	6,7	-	1,945,121	37,304	1,982,425
Governance costs	8	-	7,835	-	7,835
<b>TOTAL RESOURCES EXPENDED</b>	9	-	<b>1,952,956</b>	<b>37,304</b>	<b>1,990,260</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>146,757</b>	<b>(323,698)</b>	<b>2,679,387</b>	<b>2,502,446</b>
Actuarial losses on defined benefit Pension Scheme		-	(39,000)	-	(39,000)
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		<b>146,757</b>	<b>(362,698)</b>	<b>2,679,387</b>	<b>2,463,446</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>146,757</b>	<b>(362,698)</b>	<b>2,679,387</b>	<b>2,463,446</b>
<i>Total funds at 14 June 2012</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>146,757</b>	<b>(362,698)</b>	<b>2,679,387</b>	<b>2,463,446</b>

All of the academy'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 23 to 41 form part of these financial statements.

**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08106388**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2013**

	Note	£	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	14		2,686,874
<b>CURRENT ASSETS</b>			
Debtors	15	81,533	
Cash at bank		281,596	
		363,129	
<b>CREDITORS:</b> amounts falling due within one year	16	(173,557)	
		189,572	
<b>NET CURRENT ASSETS</b>			
			189,572
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
			2,876,446
Defined benefit pension scheme liability	21		(413,000)
			2,463,446
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			
			2,463,446
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	17	50,302	
Restricted fixed asset funds	17	2,679,387	
		2,729,689	
Restricted funds excluding pension liability		2,729,689	
Pension reserve		(413,000)	
		2,316,689	
Total restricted funds			2,316,689
Unrestricted funds	17		146,757
			2,463,446
<b>TOTAL FUNDS</b>			
			2,463,446

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2013 and are signed on their behalf, by:

**J McGlynn**  
**Chairman**

The notes on pages 23 to 41 form part of these financial statements.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. 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 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.3 Company status**

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

**1.4 Cash flow**

The academy has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable academy.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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'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.

**1.6 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's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,500 are capitalised.

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's depreciation policy.

On 1 July 2012, the leasehold title of the School site was transferred to the Academy. The site has been leased to the Trust for a period of 125 years at a peppercorn rent.

The fair value of the site has been calculated on a depreciated replacement cost basis, and treated as an addition to fixed assets with a corresponding credit reflected in the Statement of Financial Activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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 Term Leasehold Property	-	1% on cost
Improvements to Leasehold Property	-	4% on cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**1.8 Operating leases**

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

**1.9 Taxation**

The academy 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 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.

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**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Pensions**

Retirement benefits to employees of the academy 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.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy 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.

**1.11 Fund accounting**

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

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

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

**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Conversion to an 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 St. Martins Catholic School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Saint Dominic's Catholic Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Further details of the transaction are set out in note 19.

**2. VOLUNTARY INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funds on conversion - Dominican Sisters	-	2,526,000	2,526,000
Funds on conversion - Local Authority	138,865	(354,000)	(215,135)
	<u>138,865</u>	<u>2,172,000</u>	<u>2,310,865</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Charitable monies raised	-	3,250	3,250
Other recoverable charges	3,489	-	3,489
Hire of facilities	1,910	-	1,910
	<u>5,399</u>	<u>3,250</u>	<u>8,649</u>

**SAINT DOMINIC'S CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

**4. INVESTMENT INCOME**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Short term deposits	2,493	-	2,493

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	1,731,723	1,731,723
Local Authority Central Spend Equivalent Grant (LACSEG)	-	101,725	101,725
Pupil premium	-	27,136	27,136
Insurance reimbursement	-	31,185	31,185
Rates reimbursement	-	1,158	1,158
Capital grant	-	190,691	190,691
Other grants and payments	-	15,572	15,572
	-	2,099,190	2,099,190
<b>Other funding</b>			
Parental contributions	-	71,509	71,509
	-	71,509	71,509
	-	2,170,699	2,170,699

**6. DIRECT COSTS**

	Educational Operations £	Total 2013 £
Educational supplies	34,883	34,883
Technology costs	24,803	24,803
Educational visits	65,352	65,352
Examination fees	1,751	1,751
Teaching and educational support staff costs	965,477	965,477
National insurance	73,841	73,841
Pension cost	138,229	138,229
	1,304,336	1,304,336

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**7. SUPPORT COSTS**

	Educational Operations £	Total 2013 £
Recruitment	4,914	4,914
Maintenance of premises	76,298	76,298
Rates and utilities	49,116	49,116
Transportation costs	5,503	5,503
Insurance	35,756	35,756
Cleaning	4,696	4,696
Telephone	30,415	30,415
Printing, postage and stationery	7,199	7,199
Equipment costs	29,379	29,379
Catering	16,629	16,629
Bought in services	70,005	70,005
Other support costs	50,684	50,684
Support staff wages and salaries	228,898	228,898
National insurance	11,206	11,206
Pension cost	37,071	37,071
Depreciation	20,320	20,320
	<u>678,089</u>	<u>678,089</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	3,795	3,795
Auditors' non audit costs	-	4,040	4,040
	<u>-</u>	<u>7,835</u>	<u>7,835</u>

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**9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Educational operations	1,177,547	-	126,789	1,304,336
Support costs	277,175	20,320	380,594	678,089
<b>Charitable activities</b>	<b>1,454,722</b>	<b>20,320</b>	<b>507,383</b>	<b>1,982,425</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>7,835</b>	<b>7,835</b>
	<b>1,454,722</b>	<b>20,320</b>	<b>515,218</b>	<b>1,990,260</b>

**10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets:	
- owned by the charity	20,320
Auditors' remuneration	3,795
Auditors' remuneration - non-audit	4,040
	<u>4,040</u>

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**11. STAFF COSTS**

Staff costs were as follows:

	<b>2013</b>
	<b>£</b>
Wages and salaries	1,194,375
Social security costs	85,047
Other pension costs (Note 21)	175,300
	<hr/>
	<b>1,454,722</b>
	<hr/> <hr/>

The average monthly number of employees during the year was as follows:

	<b>2013</b>
	<b>No.</b>
Teachers	16
Administration and support	26
Management	5
	<hr/>
	<b>47</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
Teachers	14
Administration and Support	16
Management	5
	<hr/>
	<b>35</b>
	<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	1
	<hr/> <hr/>

The above employee participated in the Teachers' Pension Scheme. During the 14 month period ended 31 August 2013, pension contributions for this employee amounted to £11,688.

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration, regarding gross salary, fell within the following bands based on a 14 month period:

	<b>2013</b>
	<b>£'000</b>
B Carson (Head Teacher and Trustee)	<b>65-70</b>

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

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £824.

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

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**14. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Improve- ments to Leasehold Property £	Total £
<b>Cost</b>			
At 14 June 2012	-	-	-
Additions	2,526,000	181,194	2,707,194
At 31 August 2013	<u>2,526,000</u>	<u>181,194</u>	<u>2,707,194</u>
<b>Depreciation</b>			
At 14 June 2012	-	-	-
Charge for the period	20,320	-	20,320
At 31 August 2013	<u>20,320</u>	<u>-</u>	<u>20,320</u>
<b>Net book value</b>			
At 31 August 2013	<u><u>2,505,680</u></u>	<u><u>181,194</u></u>	<u><u>2,686,874</u></u>

The leasehold land and buildings were valued by Leicestershire County Council in 2013.

Included in the above is land with a value of £494,000 on which no depreciation is charged.

Improvements to leasehold property are assets under construction on which no depreciation is charged.

**15. DEBTORS**

	2013 £
VAT Recoverable	46,368
Prepayments and accrued income	35,165
	<u>81,533</u>

**16. CREDITORS:**  
**Amounts falling due within one year**

	2013 £
Other taxation and social security	41,304
Accruals and deferred income	132,253
	<u>173,557</u>

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**16. CREDITORS:**  
**Amounts falling due within one year (continued)**

	<b>£</b>
<b>Deferred income</b>	
Resources deferred during the year	<b>22,829</b>

At the balance sheet date the academy trust was holding funds in advance of £13,665 for a school trip in 2014 and a grant relating to the new school year amounting to £9,164.

**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>					
General Funds - all funds	-	146,757	-	-	146,757
<b>Restricted funds</b>					
General Annual Grant (GAG)	-	1,731,723	(1,681,421)	-	50,302
Other DFE/EFA grants	-	176,776	(176,776)	-	-
Other funding	-	74,759	(74,759)	-	-
Pension reserve	-	(354,000)	(20,000)	(39,000)	(413,000)
	-	1,629,258	(1,952,956)	(39,000)	(362,698)
<b>Restricted fixed asset funds</b>					
Leasehold property	-	2,526,000	(20,320)	-	2,505,680
Improvements to leasehold property	-	190,691	(16,984)	-	173,707
	-	2,716,691	(37,304)	-	2,679,387
Total restricted funds	-	4,345,949	(1,990,260)	(39,000)	2,316,689
Total of funds	-	4,492,706	(1,990,260)	(39,000)	2,463,446

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**17. STATEMENT OF FUNDS (continued)**

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

**Restricted funds**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	-	146,757	-	-	146,757
Restricted funds	-	1,629,258	(1,952,956)	(39,000)	(362,698)
Restricted fixed asset funds	-	2,716,691	(37,304)	-	2,679,387
	<u>-</u>	<u>4,492,706</u>	<u>(1,990,260)</u>	<u>(39,000)</u>	<u>2,463,446</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	2,686,874	2,686,874
Current assets	146,757	156,236	60,136	363,129
Creditors due within one year	-	(105,934)	(67,623)	(173,557)
Pension scheme liability	-	(413,000)	-	(413,000)
	<u>146,757</u>	<u>(362,698)</u>	<u>2,679,387</u>	<u>2,463,446</u>

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**19. CONVERSION TO AN ACADEMY TRUST**

On 01 July 2012 Saint Martins Catholic School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Saint Dominic's Catholic Academy Trust from Leicestershire County Council and the Dominican Sisters 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 in the Statement of financial activities as voluntary income.

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

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Leasehold land and buildings	-	-	<b>2,526,000</b>	<b>2,526,000</b>
Budget surplus on LA funds	<b>138,865</b>	-	-	<b>138,865</b>
LGPS pension deficit	-	<b>(354,000)</b>	-	<b>(354,000)</b>
Net assets	<b>138,865</b>	<b>(354,000)</b>	<b>2,526,000</b>	<b>2,310,865</b>

The above net assets include £138,865 that were transferred as cash.

**20. CAPITAL COMMITMENTS**

At 31 August 2013 the academy had capital commitments as follows:

	<b>2013 £</b>
Contracted for but not provided in these financial statements	<b>183,203</b>

The commitment relates to repairs to the leasehold property, which is offset in full against the capital grant awarded in the year. At the balance sheet date, of the £381,381 awarded, £190,691 has been received.

**21. PENSION COMMITMENTS**

The academy'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 Leicestershire 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 2004 and of the LGPS 31 March 2010.

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

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**21. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

**The Teachers' Pension 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.

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**21. PENSION COMMITMENTS (continued)**

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

**Teachers' Pension Scheme Changes**

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 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 £80,000, of which employer's contributions totalled £61,000 and employees' contributions totalled £19,000. The agreed contribution rates for future years are 18.6% for employers and between 5.5% and 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**21. PENSION COMMITMENTS (continued)**

As described in note 19 the LGPS obligation relates to the employees of the academy, 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 at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(789,000)
Fair value of scheme assets	376,000
	<hr/>
Net liability	(413,000)
	<hr/> <hr/>

The amounts recognised in the Statement of financial activities are as follows:

	2013 £
Current service cost	64,000
Interest on obligation	33,000
Expected return on scheme assets	(16,000)
	<hr/>
Total	81,000
	<hr/> <hr/>
Actual return on scheme assets	42,000
	<hr/> <hr/>

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

	2013 £
Opening defined benefit obligation	608,000
Current service cost	64,000
Interest cost	33,000
Contributions by members	19,000
Actuarial losses	65,000
	<hr/>
Closing defined benefit obligation	789,000
	<hr/> <hr/>

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**21. PENSION COMMITMENTS (continued)**

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

	<b>2013</b> <b>£</b>
Opening fair value of scheme assets	254,000
Expected return on assets	16,000
Contributions by members	19,000
Contributions by the employer	61,000
Actuarial gains	26,000
	376,000
	376,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £39,000.

The academy expects to contribute £54,000 to the 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>
Equities	64.00 %
Bonds	26.00 %
Property	9.00 %
Cash	1.00 %

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 %

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	20.9
Females	23.3
Retiring in 20 years	
Males	23.3
Females	25.6

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**21. PENSION COMMITMENTS (continued)**

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(789,000)
Scheme assets	376,000
Deficit	<u>(413,000)</u>

**22. OPERATING LEASE COMMITMENTS**

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

	Land and buildings 2013 £	Other 2013 £
<b>Expiry date:</b>		
Between 1 and 5 years	-	17,810

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy'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 trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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

**25. CONTROLLING PARTY**

The ultimate controlling party of the Academy Trust is the board of trustees.