

Company Registration No. 05210075 (England and Wales)

ST PAUL'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ST PAUL'S ACADEMY

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ST PAUL'S ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Archbishop of Southwark
Diocesan Financial Secretary
Chair of Governors

Trustees

B Borland (Chair)
Councillor C Mardner (Resigned 14 October 2018)
J Crowley (Resigned 14 October 2018)
T Arkins
M Fontinelle
Councillor S Offord
H Francis
S Malone (Accounting Officer)
P Worden (Resigned 30 November 2018)
R Offong
K Spurling (Resigned 31 August 2019)
N Amaike (Appointed 18 September 2019)
S Griffin (Vice Chair) (Appointed 30 November 2018)

Senior leadership team

S Malone	- Principal
E Tudor	- Vice Principal
O Akif	- Assistant Principal
A Allen	- Assistant Principal
J Callow	- Assistant Principal
A Henderson	- Assistant Principal
E Bryan	- Assistant Principal
G Sidwell	- Assistant Principal
B Smyth	- Assistant Principal
K Spurling	- Assistant Principal
K Joyce	- Head of Learning Zone
L Maynard	- Head of Learning Zone

Company registration number

05210075 (England and Wales)

Registered office

51 Finchale Road
Abbey Wood
SE2 9PX

Independent auditor

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

Allied Irish Bank
City Office
9/10 Angel Court
London
EC2R 7AB

ST PAUL'S ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors

Cumberland Ellis
Atrium Court
15 Jockey's Fields
London
WC1R 4QR

ST PAUL'S ACADEMY

MISSION AND VISION

FOR THE YEAR ENDED 31 AUGUST 2019

Mission Statement

As a Catholic Academy, established by the trustees of the Archdiocese of Southwark, we seek to create a community, which is characterised by gospel values and the teaching of the Catholic Church. The Academy seeks to serve both the Catholic and the local community, welcoming those who embrace its values and share its quest for excellence.

- To provide opportunities for people to develop the knowledge, skills and wisdom necessary for effective lifelong learning.
- To enable learners to develop their intellectual, social, moral, spiritual and physical potential to the full in order to become proactive members of both the local and wider community.
- To increase aspirations by exploiting educational innovations and opportunities in the best interests of our students and staff.

Vision Statement

Students

St Paul's Academy is a place where parents want to send their children. True comprehensive values are underpinned by a Catholic ethos. The needs of individual students are met through a broad and balanced curriculum offer which includes vocational and academic courses, fast-tracking, careful monitoring of students and respect for diversity. Increased teaching time and the extended school day, provide students with a secure and safe learning environment in which high standards of respect and behaviour flourish. St Paul's Academy is dedicated to the development of the spiritual, intellectual, emotional and social growth of the whole person.

The Academy empowers students, motivating them to reach their full potential, with an emphasis on developing autonomous and focused learners. Student opinion is highly valued as is student leadership. Students are encouraged to take responsibility for their own actions, and present themselves as confident, informed and motivated individuals. Healthy life-style choices are encouraged at all times and regular healthy meals are available.

Excellent pastoral care supports the students and the Academy is committed to an inclusive approach and attention to students' welfare.

Students benefit from the core values which permeate their whole educational experience; a daily tutor group session provides a real sense of community and students experience consistency throughout their time at the Academy, as each year group is overseen by a single Learning Zone. Students leave the Academy as confident young people, ready to further their education, and with a clear sense of their own worth in the wider community.

Staff

The recruitment and retention of an outstanding teaching and support staff is a top priority of the Academy. A variety of teaching styles and a committed approach to differentiated learning reflect the high expectations and values shared by all members of the Academy community. Staff are role models in all aspects of Academy life and the wide variety of adults working within the institution reflects the diversity of the local community.

The approach to education is holistic and all teachers have academic and pastoral responsibilities; standards of teaching and learning are consistently very high. Team work is essential, and discussion and interaction are key elements in planning and implementing learning strategies and Academy policy.

Teachers are supported by a structured approach to staff professional development. Teaching Assistants work very closely with teaching staff and are assigned to specific learning areas.

ST PAUL'S ACADEMY

MISSION AND VISION

FOR THE YEAR ENDED 31 AUGUST 2019

Specialisms

The Academy has two distinct specialisms; enterprise and sport, which are delivered both through the curriculum and extra-curricular activities. Through these two focus points, the Academy has developed and continues to develop exciting and innovative projects which benefit the Academy as well as the local community. The specialisms teach students the skills of negotiation, consultation, decision making and resilience.

Our entrepreneurial young people donate all the money they raise to charity. Since becoming an Academy in 2005, students have raised over £200,000 for a wide range of charities. Our students lead on this; the trust placed in their ability to work independently makes St Paul's unique and vibrant because their ideas are so highly valued. The fundraising accomplished has the gospel values at the heart of it and epitomises "faith in action".

Sport promotes a healthy life-style for all members of the academy community. Team and individual success is celebrated and enjoyed, and students learn to handle defeat magnanimously. Sport is not just competitive, but encourages reflection and self-evaluation, and provides essential leisure and relaxation opportunities. Sporting activities build confidence and leadership in our young people and teach that when we can strive, we grow in resilience, we can succeed.

Support

The tenets of the Catholic Church underpin the life of the Academy. All faiths are celebrated and respected and play an important role in promoting the universal values that constitute the ethos of the Academy.

Education is for life and the Academy is committed to the growth and development of the whole child; emotional, intellectual, mental, physical and spiritual.

St Paul's expects the highest standards and insists on the excellent behaviour of all students. The Academy holds an important position in the local and wider community, educating and forming our young people to be thoughtful and responsible citizens, so they will take a proactive role within their community.

Outstanding behaviour, both in and out of school, is of the upmost importance and our behaviour code is simple and clear:

- Be Safe
- Be Respectful
- Be Ready for Learning

Our 24/7 approach to behaviour management enables the Academy to safeguard the wellbeing and safety of students while also supporting their parents and carers, who in turn are supportive of the Home/School partnership. Families are encouraged to contact the Academy through their child's form tutor and RSL Team. We work hard to ensure parents and carers are kept informed through, InTouch, the Website and Twitter.

ST PAUL'S ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 – 16 serving the local and Catholic community. It has a pupil capacity of 1,200 and had a roll of 1187 in the school census on 3 October 2019

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Paul's Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Method of recruitment and appointment or election of trustees

The number of Governors shall not be less than three but there is no maximum number set. The Academy shall have the following Governors:

- Not less than 6 Foundation Governors
- Parent Governor
- Staff Governor
- Local Authority
- Appointed

It may also have the following:

- Any co-opted Governor
- Any additional Governor appointed by the Secretary of State

The Principal shall be an ex officio member of the Governing Body.

Policies and procedures adopted for the induction and training of trustees

During the year under review the Full Governing Body held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The structure consists of three levels: the Governors, Senior Leadership Team and Heads of Learning Zone. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Principal, Vice Principal and Assistant Principals. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for Assistant Principals posts will contain a Governor. All budget holders follow the Academy's financial procedures for spending.

The Management Team includes the Senior Leadership Team and the Heads of Learning Zone (Assistant Principals). These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The Governors consider that they together with the Senior Leadership Team comprise the key management of the Academy in charge of directing and controlling, running and operating it. Governors, apart from the Principal and the Staff Governor, receive no form of remuneration.

The remuneration of the Principal, Staff Governors and other teaching staff who are members of the Senior Leadership Team is set by the Governors in accordance with the Academy's overall remuneration policy which is based upon the School Teachers' Pay & Conditions Document (STPCD), the Individual School Range (ISR) for Leadership Group posts and the relative positions of the individuals on the applicable pay spines. The remuneration of members of the Senior Leadership Team who are not teachers is reviewed annually by the Governors and pay is normally increased in accordance with nationally agreed pay awards.

Related parties and other connected charities and organisations

The Archdiocese of Southwark is the sponsor of St Paul's Academy Limited and since the Academy's founding have donated £2m to assist the Academy in achieving its objectives.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of St Paul's Academy to provide education for students of different abilities between the ages of 11 and 16 with an emphasis on Sport and Enterprise.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on Sport and Enterprise and their practical applications.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The main objectives of the Academy during the year ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirement;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The Academy's main strategy is encompassed in its mission statement which is 'To build a learning community which has access to the best possible teaching facilities and staff'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications and make expected or better progress from their starting point;
- promotion of the wellbeing of students and staff;
- an enrichment programme for all students;
- a programme of sporting and other after school activities for all students;
- Enterprise through fundraising in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.
- training opportunities for all staff.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Admissions Arrangements

There are 240 Year 7 places available for the year 2018/19. These places are split into 2 categories:

1. Catholic and other faith entrants (160 places)
2. Community entrants (80 places)

Catholic and other faith entrants:

1. Looked after children and previously looked after children who have been adopted or become subject to a residence or special guardianship order, immediately following having been looked after who are baptised Catholics or looked after by Catholic families.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2. Baptised Catholic children from families where at least one parent/guardian/carer or the child is a practising Catholic and, who at the time of their application, resides (+) in the following local parishes:

Christchurch	Eltham
Holy Cross	Plumstead Common
Our Lady of Grace	Charlton
Our Lady of the Angels	Erith
Our Lady Star of the Sea	Greenwich
St Benet's	Abbey Wood
St David's	Abbey Wood
St John Fisher	Kidbrooke
St John Fisher	Thamesmead South
St John Fisher & St Thomas More	Eltham
St Joseph's	Greenwich
St Joseph's	Shooters Hill
St Patrick's	Plumstead
St Paul's	Thamesmead Central
St Peter's	Woolwich
St Stephen's	Welling
St Thomas More	Bostall Park

(Parish boundaries are available upon request from the Roman Catholic Archdiocese of Southwark)

Practising Catholic is defined by frequency of Mass attendance as shown on the SIF. Applicants will be ranked weekly, fortnightly, monthly, occasionally, with those ranked weekly being given the highest priority.

3. Baptised Catholic children from families where at least one parent/guardian/carer or the child is a practising Catholic and, who at the time of their application, live in parishes other than those named in 2 above. If there is oversubscription in this category, priority will be given on levels of mass attendance as indicated by the Parish Priest or his named representative;

4. Other baptised Catholic children;

5. Children enrolled in the Catechumenate where there is support from a Parish Priest or his named representative;

6. Baptised Eastern Orthodox children;

7. Children of other Christian denominations which are members of *Churches Together in England and whose applications are supported by a Minister of Religion of a designated place of worship;
*A copy of this list is available from the school on request.

8. Children of other faiths whose applications are supported by a statement from the religious leader of a designated place of worship.

Under each of the above criteria, priority will be given in order to applicants who:

a. have a sibling living at the same address attending the Academy at the time of the applicant's admission. The term 'sibling' refers to a full, half or step brother or sister living at the same address.

b. have a professionally supported medical, social or special educational need which makes it essential for them to be admitted to the Academy as determined under arrangements agreed from time to time and published by the Governing Body.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

c. Proximity to the school, measured by the shortest distance (ie straight line as determined by Royal Greenwich's computerised mapping system) from a single point in the centre of the child's home address to the centre of the school. If your child lives equally between both parents, we consider the principal home address as being the address at which your child is registered whilst attending primary school, with a GP and, if applicable, the address of the parents who is in receipt of Child Benefit or Child Tax Credits for your child.

Community entrants:

1. Looked after children and previously looked after children who have been adopted or become subject to a residence or special guardianship order, immediately following having been looked after.
2. Children who have a professionally supported medical, social or special educational need which makes it essential for them to be admitted to the Academy as determined under arrangements agreed from time to time and published by the Governing Body;
3. Children who have a sibling living at the same address attending the Academy at the time of the applicant's admission. The term 'sibling' refers to a full, half or step brother or sister living at the same address.
4. Proximity to the school, measured by the shortest distance (ie straight line as determined by Royal Greenwich's computerised mapping system) from a single point in the centre of the child's home address to the centre of the school. If your child lives equally between both parents, we consider the principal home address as being the address at which your child is registered whilst attending primary school, with a GP and, if applicable, the address of the parent who is in receipt of Child Benefit or Child Tax Credits for your child.

Additional Information:

Under both categories, where the last remaining place is to be allocated and two or more children are deemed to live at the same distance from the Academy, the place will be decided by the drawing of lots.

Twins/Children of multiple birth

Additional children may be admitted under very exceptional circumstances. This will be in instances where children are twins and children from multiple births when one of the children is the 180th child admitted.

Strategic report

Achievements and performance

St Paul's Academy is pleased to report on the successful and well deserved examination results of our students and we offer them congratulations for all they have achieved.

This academic year has been the second year of the Reformed GCSE grades 9-1 for many of our specifications. These GCSEs cannot be compared to the old ones as they are significantly more rigorous in their content as well as their assessment being mostly examined terminally. Only half of the students nationally who would have achieved an old grade A* will receive a top grade 9 and the difficulty of the new courses mean that more than ever, the lower grades of 1-3 can very much be a reflection of students' hard work and demonstrate their progress and success. The government has made it clear that a grade 4 equates to the old grade C.

We are pleased to announce that 75% of students achieved a grade 4 or above in English and 70% achieved a grade 4 or above in Mathematics. We can report that 64% achieved a grade 4 or above in both English and Mathematics.

There are many other curriculum areas that have achieved very pleasing results, for example in the new and considerably challenging Computer Science GCSE, 72% of students achieved a grade 4 or above, in Religious Studies, 73% of students achieved a grade 4 or above and a commendable 100% of PE students achieved a grade 6 or above. These subjects as well as others such as English and History, have, under the Reformed GCSE seen a huge increase in the course content that students have had to commit to memory. The examinations have been more demanding and many subjects have met these challenges with enormous success.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Results in Science and Geography demonstrate an upward trajectory which again, is extremely positive in this time of significant change to specifications and how they are taught and how students are required to learn. As a truly comprehensive school, we value our vocational pathways, and are very proud of the 100% pass rate in Construction Btec and Sport Btec.

In terms of other performance measures, we would like to report that our English Baccalaureate Average Point Score is 3.87 and the average Attainment 8 for all students is 44.8. The Progress 8 score will be determined and reported later in the Autumn Term. We are awaiting how all measures will compare nationally and locally.

The achievement of all our young people is incredibly important and examination results represent only a part of the holistic development and education of our young people. Our students' motivation and self-esteem have been boosted throughout the year by a variety of interventions and support. The high quality results that have been achieved are testament to the hard work of the students, the dedication of our staff and the aspirational ethos that is promoted by them and in turn, supported by families.

Congratulations to the Class of 2019.

Key performance indicators

The key performance indicators reviewed by the Governors in Finance & Resources committee meetings include income from the ESFA (determined broadly by reference to number of pupils on roll), income from lettings; expenditure on staff, utilities and curriculum supplies. The level of capital expenditure and maintenance of facilities is closely monitored. Actual and projected cash flow and reserves are also monitored. These items are all reported in the financial statements.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees 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

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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 charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £9,568k (2018: £9,871k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £193k (2018: £304k expenditure over income).

At 31 August 2019 the net book value of fixed assets was £24,525k (2018: £25,129). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Greenwich Pension Fund, in which the Academy participates, showed a deficit of £3,125k (2018: £1,961k) at 31 August 2019.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The Trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks expenditure, approximately £705k (2018: £750k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £1,483k (2018: £1,295k). Therefore the Governors view the reserves to be adequate.

The Academy held fund balances at 31 August 2019 of £22,961k (2018: £24,463k) comprising £21,478k (2018: £23,170k) of restricted funds and £1,483k (2018: £1,293k) of unrestricted general funds. Of the restricted funds, £24,525k (2018: £25,129k) is represented by tangible fixed assets and £78k (2018: £nil) by unspent GAG income.

The pension reserve which is considered part of restricted funds was £3,125k (2018: £1,961k) in deficit.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

The top three major risks that the Academy could potentially face are:

1. Reduction in income: this could be due to either (i) an overall reduction in government funding for Education or (ii) a fall in student numbers.
 - With careful year on year budgeting leaving an in-year surplus we hope to be able to mitigate any small reduction in funding; however, this would be a major cause for concern. The school funding reform has been put back to 2018, however this should subsequently ensure some stability for a couple of years.
 - The Academy itself and our current students are testimony in themselves to the exceptional educational offer available. On top of that, our Principal spends time marketing our Academy to all the local Primary Schools, and we hold sports events for local Primary School children.
2. Admissions: As 1 (ii) above. Fortunately year on year St Paul's is oversubscribed but without being complacent we continue our work promoting the Academy.
3. Teachers' Pensions Deficit – this continues to grow year on year causing a deficit in our accounts. Whilst this is not a "true" reflection of our position, as it would only come to fruition were all of our staff to retire at the same time, it is a worrying figure. We are not able to mitigate this directly as it is out of our hands, but we are aware that around 2019 Employers Contributions to the scheme will again be increasing.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students go on to further education, employment or training once they leave.

ST PAUL'S ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27/11/19..... and signed on its behalf by:



B Borland
Chair

ST PAUL'S ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The full board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
B Borland (Chair)	3	3
Councillor C Mardner (Resigned 14 October 2018)	0	0
J Crowley (Resigned 14 October 2018)	0	0
T Arkins	2	3
M Fontinelle	2	3
Councillor S Offord	3	3
H Francis	0	3
S Malone (Accounting Officer)	3	3
P Worden (Resigned 30 November 2018)	0	1
R Offong	1	3
K Spurling (Resigned 31 August 2019)	3	3
N Amaike (Appointed 18 September 2019)	0	0
S Griffin (Vice Chair) (Appointed 30 November 2018)	3	3

In 2017-2018 the Governing Body, in consultation with the Bexley Governance Service and the Archdiocese has undertaken a review of its constitution, establishing the number and category of Governors as well as clarifying Membership of the Trust. In agreement with the Archdiocese the persons in the following positions Archbishop of Southwark, Diocesan Financial Secretary and Chair of Governors will be the designated Members of St Paul's Academy Trust.

The Governing Body has continued to effectively carry out its responsibility to determine the character and strategic direction of St Paul's. This is the work of the full board supported by three key committees that have overseen key aspects of the Academy, i.e. Improvement of Students, Finance and Resources and Management of Students. These committees have applied due diligence to the ongoing work of the Academy. At both full board and committee meetings Governors are presented with detailed data concerning the management of the Academy's performance.

Ensuring the Academy's financial position is secure is always a priority but with current funding projections from the ESFA this is a crucial responsibility of the Governors. The Academy continues its management of its resources through the engagement of EFS services.

There is a Principal's Remuneration Committee that monitors her performance, sets targets and determines pay.

The Board of Trustees only met three times in the year but have delegated responsibilities to other committees. The committees must produce a report of issues and findings at each Trustee meeting.

ST PAUL'S ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Finance and Resources Committee is a sub-committee of the main governing body. Its purpose is to oversee financial management ensuring probity, agree budgets and discuss any HR or payroll issues.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
B Borland (Chair)	3	3
Councillor S Offord	3	3
H Francis	1	3
S Malone (Accounting Officer)	3	3
P Worden (Resigned 30 November 2018)	0	1
S Griffin (Vice Chair) (Appointed 30 November 2018)	2	2

Review of value for money

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

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

- Ensuring academy supplies and resources are of acceptable quality and purchased at the best price.
- Obtaining at least 3 quotes on goods and services of £1,000 or above.

Purchase Order Value	Number/type of quotes	Level of authorisation
Up to £1,000	2 quotes (written/verbal)	Budget Holder
£1,001 - £4,000	3 written quotes	Principal
£4,001 - £10,000	3 written quotes	Principal + report to F & R
£10,001 - £50,000	3 written quotes	F & R Committee
£50,000 Plus	3 written quotes	Full Governing Body

- By providing the best support to meet the various educational needs of all students.
- Using data to enhance the information available on both student outcomes and academy financial performance.
- Evidencing the extent to which objectives have been achieved with examination results consistently above the national average.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Paul's Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

ST PAUL'S ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. For 2018 Instead Yinka Tomori of Longmeade Consult acted as Responsible Officer (RO) this was then taken on by Debbie Newman of EFS in 2019. The RO's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems.

The RO regularly reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

All planned work was carried out and no material control issues were discovered.

Review of effectiveness

As accounting officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

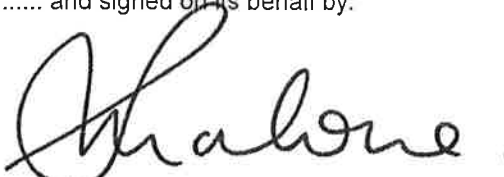
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 27/11/19..... and signed on its behalf by:

B Borland
Chair



S Malone
Accounting Officer



ST PAUL'S ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of St Paul's Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



S Malone
Accounting Officer

27/11/19.....

ST PAUL'S ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of St Paul's Academy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 27/11/19 and signed on its behalf by:



B Borland
Chair

ST PAUL'S ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S ACADEMY FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of St Paul's Academy for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

ST PAUL'S ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ST PAUL'S ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wilks Kennedy Audit Services

Catherine Cooper (Senior Statutory Auditor)
for and on behalf of Wilks Kennedy Audit Services

27/11/19

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

ST PAUL'S ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST PAUL'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 14 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Paul's Academy during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of St Paul's Academy's funding agreement with the Secretary of State for Education dated 21 August 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ST PAUL'S ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST PAUL'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wils Nundy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: *27/11/19*.....

ST PAUL'S ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	50	-	84	134	123
Charitable activities:						
- Funding for educational operations	4	-	8,307	-	8,307	8,339
Other trading activities	5	368	-	-	368	465
Investments	6	1	-	-	1	-
Total		<u>419</u>	<u>8,307</u>	<u>84</u>	<u>8,810</u>	<u>8,927</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	231	8,688	649	9,568	9,871
Total	7	<u>231</u>	<u>8,688</u>	<u>649</u>	<u>9,568</u>	<u>9,871</u>
Net income/(expenditure)		188	(381)	(565)	(758)	(944)
Transfers between funds	17	-	39	(39)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(744)	-	(744)	674
Net movement in funds		188	(1,086)	(604)	(1,502)	(270)
Reconciliation of funds						
Total funds brought forward		<u>1,295</u>	<u>(1,961)</u>	<u>25,129</u>	<u>24,463</u>	<u>24,733</u>
Total funds carried forward		<u>1,483</u>	<u>(3,047)</u>	<u>24,525</u>	<u>22,961</u>	<u>24,463</u>

ST PAUL'S ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000	Restricted funds: General	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	85	-	38	123
Charitable activities:					
- Funding for educational operations	4	-	8,339	-	8,339
Other trading activities	5	465	-	-	465
Total		<u>550</u>	<u>8,339</u>	<u>38</u>	<u>8,927</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	281	8,912	678	9,871
Total	7	<u>281</u>	<u>8,912</u>	<u>678</u>	<u>9,871</u>
Net income/(expenditure)		269	(573)	(640)	(944)
Transfers between funds	17	(166)	157	9	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	674	-	674
Net movement in funds		103	258	(631)	(270)
Reconciliation of funds					
Total funds brought forward		<u>1,192</u>	<u>(2,219)</u>	<u>25,760</u>	<u>24,733</u>
Total funds carried forward		<u>1,295</u>	<u>(1,961)</u>	<u>25,129</u>	<u>24,463</u>

ST PAUL'S ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		24,525		25,129
Current assets					
Debtors	14	124		207	
Cash at bank and in hand		1,724		1,488	
		<u>1,848</u>		<u>1,695</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(287)		(400)	
Net current assets			1,561		1,295
Net assets excluding pension liability			26,086		26,424
Defined benefit pension scheme liability	19		(3,125)		(1,961)
Total net assets			<u>22,961</u>		<u>24,463</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			24,525		25,129
- Restricted income funds			78		-
- Pension reserve			(3,125)		(1,961)
Total restricted funds			<u>21,478</u>		<u>23,168</u>
Unrestricted income funds	17		1,483		1,295
Total funds			<u>22,961</u>		<u>24,463</u>

The financial statements on pages 23 to 44 were approved by the trustees and authorised for issue on 27/11/19..... and are signed on their behalf by:


 B Borland
 Chair

Company Number 05210075

ST PAUL'S ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities				
Net cash provided by operating activities	20		196	152
Cash flows from investing activities				
Dividends, interest and rents from investments		1	-	-
Capital grants from DfE Group		84	38	38
Purchase of tangible fixed assets		(45)	(48)	(48)
Net cash provided by/(used in) investing activities			<u>40</u>	<u>(10)</u>
Net increase in cash and cash equivalents in the reporting period			236	142
Cash and cash equivalents at beginning of the year			<u>1,488</u>	<u>1,346</u>
Cash and cash equivalents at end of the year			<u><u>1,724</u></u>	<u><u>1,488</u></u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

St Paul's Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £2000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line balance basis over its expected useful life, as follows:

Buildings	2% - 10%
Fixtures, fittings & equipment	20%

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.

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2 Critical accounting estimates and areas of judgement

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

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Parental Contributions	46	-	46	53
Capital grants	-	84	84	38
Other donations	4	-	4	32
	<u>50</u>	<u>84</u>	<u>134</u>	<u>123</u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	7,550	7,550	7,577
Other DfE group grants	-	571	571	527
	<u>-</u>	<u>8,121</u>	<u>8,121</u>	<u>8,104</u>
Other government grants				
Local authority grants	-	178	178	200
Other government grants	-	8	8	35
	<u>-</u>	<u>186</u>	<u>186</u>	<u>235</u>
Total funding	<u>-</u>	<u>8,307</u>	<u>8,307</u>	<u>8,339</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	36	-	36	50
Catering income	230	-	230	270
Other income	102	-	102	145
	<u>368</u>	<u>-</u>	<u>368</u>	<u>465</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7	Expenditure	Non Pay Expenditure			Total 2019 £'000	Total 2018 £'000
		Staff costs £'000	Premises £'000	Other £'000		
	Academy's educational operations					
	- Direct costs	5,861	632	531	7,024	7,218
	- Allocated support costs	1,440	514	590	2,544	2,653
		<u>7,301</u>	<u>1,146</u>	<u>1,121</u>	<u>9,568</u>	<u>9,871</u>
	Net income/(expenditure) for the year includes:			2019	2018	
				£'000	£'000	
	Fees payable to auditor for:					
	- Audit			11	10	
	- Other services			3	4	
	Operating lease rentals			30	57	
	Depreciation of tangible fixed assets			649	678	
	Net interest on defined benefit pension liability			49	57	
				<u>712</u>	<u>706</u>	
8	Charitable activities					
		Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000	
	Direct costs					
	Educational operations	-	7,024	7,024	7,218	
	Support costs					
	Educational operations	231	2,313	2,544	2,653	
		<u>231</u>	<u>9,337</u>	<u>9,568</u>	<u>9,871</u>	
				2019	2018	
				£'000	£'000	
	Analysis of support costs					
	Support staff costs			1,440	1,433	
	Depreciation			17	48	
	Technology costs			86	29	
	Premises costs			497	653	
	Other support costs			485	467	
	Governance costs			19	23	
				<u>2,544</u>	<u>2,653</u>	

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Governance costs		
All from restricted funds:	Total	Total
	2019	2018
	£'000	£'000
Amounts included in support costs		
Legal and professional fees	5	9
Auditor's remuneration		
- Audit of financial statements	11	10
- Other audit costs	3	4
	<u>19</u>	<u>23</u>
	<u><u>19</u></u>	<u><u>23</u></u>
10 Staff		
Staff costs		
Staff costs during the year were:		
	2019	2018
	£'000	£'000
Wages and salaries	5,577	5,607
Social security costs	573	571
Pension costs	1,117	1,180
	<u>7,267</u>	<u>7,358</u>
Amounts paid to employees	7,267	7,358
Staff restructuring costs	34	-
	<u>7,301</u>	<u>7,358</u>
Amounts paid to staff	7,301	7,358
Staff development and other staff costs	11	26
	<u>7,312</u>	<u>7,384</u>
Total staff expenditure	<u><u>7,312</u></u>	<u><u>7,384</u></u>
Staff restructuring costs comprise:		
Redundancy payments	34	-
	<u><u>34</u></u>	<u><u>-</u></u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payments totalling £5k (2018: Nil).

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	85	86
Administration and support	67	65
Management	11	12
	<u>163</u>	<u>163</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer national insurance and pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,001 - £70,000	4	5
£70,001 - £80,000	2	3
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £1,063k (2018: £966k).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

S Malone (2018 : 2 months) (principal from 1/09/18):

- Remuneration £110,000 - 115,000 (2018: £15,000-£20,000)
- Employer's pension contributions £15,000 - £20,000 (2018: £Nil -£5,000)

K Spurling(staff):

- Remuneration £65,000 - £70,000 (2018: £45,000-£50,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £5,000-£10,000)

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,299 (2018: £1,000). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Buildings	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 September 2018	30,200	1,753	31,953
Additions	24	21	45
	<u>30,224</u>	<u>1,774</u>	<u>31,998</u>
At 31 August 2019	30,224	1,774	31,998
	<u>30,224</u>	<u>1,774</u>	<u>31,998</u>
Depreciation			
At 1 September 2018	5,119	1,705	6,824
Charge for the year	632	17	649
	<u>5,751</u>	<u>1,722</u>	<u>7,473</u>
At 31 August 2019	5,751	1,722	7,473
	<u>5,751</u>	<u>1,722</u>	<u>7,473</u>
Net book value			
At 31 August 2019	24,473	52	24,525
	<u>24,473</u>	<u>52</u>	<u>24,525</u>
At 31 August 2018	25,081	48	25,129
	<u>25,081</u>	<u>48</u>	<u>25,129</u>

14 Debtors

	2019	2018
	£'000	£'000
VAT recoverable	27	103
Prepayments and accrued income	97	104
	<u>124</u>	<u>207</u>
	<u>124</u>	<u>207</u>

15 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	58	78
Other taxation and social security	142	157
Accruals and deferred income	87	165
	<u>287</u>	<u>400</u>
	<u>287</u>	<u>400</u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income			2019 £'000	2018 £'000	
	Deferred income is included within:					
	Creditors due within one year			-	37	
				<u> </u>	<u> </u>	
	Deferred income at 1 September 2018			37	14	
	Released from previous years			(37)	(14)	
	Resources deferred in the year			-	37	
				<u> </u>	<u> </u>	
	Deferred income at 31 August 2019			-	37	
				<u> </u>	<u> </u>	
17	Funds					
		Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
	Restricted general funds					
	General Annual Grant (GAG)	-	7,550	(7,511)	39	78
	Other DfE / ESFA grants	-	571	(571)	-	-
	Other government grants	-	186	(186)	-	-
	Pension reserve	(1,961)	-	(420)	(744)	(3,125)
		<u>(1,961)</u>	<u> </u>	<u>(8,688)</u>	<u>(705)</u>	<u>(3,047)</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Restricted fixed asset funds					
	DfE group capital grants	-	84	-	(84)	-
	General fixed assets	25,129	-	(649)	45	24,525
		<u>25,129</u>	<u> </u>	<u>(649)</u>	<u>(39)</u>	<u>24,525</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total restricted funds	23,168	8,391	(9,337)	(744)	21,478
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	1,295	419	(231)	-	1,483
		<u>1,295</u>	<u> </u>	<u>(231)</u>	<u> </u>	<u>1,483</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	24,463	8,810	(9,568)	(744)	22,961
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy. Under the amended funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants: This includes the pupil premium, rates relief, teachers pay grant and year 7 catch up funding.

Other government grants: This includes SEN funding, LAC funding and NCTL funding.

DfE/ESFA capital grants: this includes the devolved formula capital grant.

The transfer of funds relate to the additions to fixed assets and DFC spend during the year.

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	7,577	(7,734)	157	-
Other DfE / ESFA grants	-	527	(527)	-	-
Other government grants	-	235	(235)	-	-
Pension reserve	(2,219)	-	(416)	674	(1,961)
	<u>(2,219)</u>	<u>8,339</u>	<u>(8,912)</u>	<u>831</u>	<u>(1,961)</u>
Restricted fixed asset funds					
DfE group capital grants	-	38	-	(38)	-
General fixed assets	25,760	-	(678)	47	25,129
	<u>25,760</u>	<u>38</u>	<u>(678)</u>	<u>9</u>	<u>25,129</u>
Total restricted funds	<u>23,541</u>	<u>8,377</u>	<u>(9,590)</u>	<u>840</u>	<u>23,168</u>
Unrestricted funds					
General funds	1,192	550	(281)	(166)	1,295
	<u>1,192</u>	<u>550</u>	<u>(281)</u>	<u>(166)</u>	<u>1,295</u>
Total funds	<u>24,733</u>	<u>8,927</u>	<u>(9,871)</u>	<u>674</u>	<u>24,463</u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	24,525	24,525
Current assets	1,483	365	-	1,848
Creditors falling due within one year	-	(287)	-	(287)
Defined benefit pension liability	-	(3,125)	-	(3,125)
Total net assets	1,483	(3,047)	24,525	22,961

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	25,129	25,129
Current assets	1,295	400	-	1,695
Creditors falling due within one year	-	(400)	-	(400)
Defined benefit pension liability	-	(1,961)	-	(1,961)
Total net assets	1,295	(1,961)	25,129	24,463

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal Borough of Greenwich Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £532k (2018: £582k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16% for employers and 5.5 to 12.4% 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.

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	222	258
Employees' contributions	86	100
Total contributions	308	358

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.8	3.8
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.6

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

	2019 Years	2018 Years
Retiring today		
- Males	21.7	22.7
- Females	23.6	24.8
Retiring in 20 years		
- Males	23.3	24.9
- Females	25.4	27.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate + 0.1%	-173	-131
Discount rate - 0.1%	178	135
CPI rate + 0.1%	155	117
CPI rate - 0.1%	-151	-114
Salary increase + 0.1%	22	17
Salary increase - 0.1%	-22	-18

Defined benefit pension scheme net liability

Scheme assets	475	3,339
Scheme obligations	(3,600)	(5,300)
Net liability	(3,125)	(1,961)

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Pension and similar obligations	(Continued)	
	The academy trust's share of the assets in the scheme	2019	2018
		Fair value	Fair value
		£'000	£'000
	Equities	349	299
	Bonds	663	577
	Unitised insurance policies	1,427	1,226
	Cash	50	43
	Property	381	341
	Other assets	941	857
		<u> </u>	<u> </u>
	Total market value of assets	3,811	3,343
		<u> </u>	<u> </u>
	Warning - Asset value does not agree to value in accounts:	475	3,339
	The actual return on scheme assets was £231,000 (2018: £80,000).		
	Amount recognised in the Statement of Financial Activities	2019	2018
		£'000	£'000
	Current service cost	504	617
	Past service cost	87	-
	Interest income	(92)	(78)
	Interest cost	141	135
	Benefit changes, curtailments and settlements gains or losses	2	(2)
	Administration expenses	-	2
		<u> </u>	<u> </u>
	Total operating charge	642	674
		<u> </u>	<u> </u>
	Changes in the present value of defined benefit obligations		2019
			£'000
	At 1 September 2018		1,961
	Current service cost		504
	Interest cost		141
	Employee contributions		86
	Actuarial loss/(gain)		883
	Benefits paid		(62)
	Past service cost		87
			<u> </u>
	At 31 August 2019		3,600
			<u> </u>

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets		2019 £'000
Interest income		92
Actuarial gain		139
Employer contributions		222
Employee contributions		86
Benefits paid		(62)
Effect of non-routine settlements		(2)
		<hr/>
At 31 August 2019		475
		<hr/> <hr/>

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(758)	(944)
Adjusted for:		
Capital grants from DfE and other capital income	(84)	(38)
Investment income receivable	(1)	-
Defined benefit pension costs less contributions payable	371	359
Defined benefit pension scheme finance cost	49	57
Depreciation of tangible fixed assets	649	678
Decrease/(increase) in debtors	83	(39)
(Decrease)/increase in creditors	(113)	79
	<hr/>	<hr/>
Net cash provided by operating activities	196	152
	<hr/> <hr/>	<hr/> <hr/>

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

ST PAUL'S ACADEMY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	36	45
Amounts due in two and five years	84	121
	<u>120</u>	<u>166</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in Note 11.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.