

**BOLTON ST CATHERINE'S ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Haines Watts**

Chartered Accountants & Registered Auditors

Bridge House

157A Ashley Road

Hale

Altrincham

Cheshire

WA14 2UT

# BOLTON ST CATHERINE'S ACADEMY

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# BOLTON ST CATHERINE'S ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Chris Hopkinson  
Sir John Jones  
Mark Littler #  
Hon Alderman Frank White #  
Anita Thorne (Parent – resigned 28/4/16)  
Ainsley Leonard (Staff)  
Shelley Allen (Staff)  
Lee Harris (Principal) #  
Graham Burrows (Chair)  
Dr Jonathan Steele (Vice-chair) #  
Mark Crossland #  
Alasdair Coates

### Members

Graham Burrows (Chair) #  
Dr Jonathan Steele (Vice-chair) #  
Mark Crossland #  
Alasdair Coates

# Members of the Assets committee

### Senior management team

- Principal	Lee Harris
- Vice principal	Richard Senior
- Vice principal	Jon Skurr
- Vice principal	Bernard Mooney
- Finance director	Philip Deakin
- HR officer	Claire Wilkinson

### Company secretary

Philip Deakin

### Company registration number

06929082 (England and Wales)

### Registered office

Stitch-Mi-Lane  
Harwood  
Bolton  
BL2 4HU

### Independent auditor

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

### Bankers

Barclays Bank Plc  
1 – 5 Market Street  
Bolton  
BL1 1BU

# **BOLTON ST CATHERINE'S ACADEMY**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 - 19 serving a catchment area in North East Bolton. It has a pupil capacity of 1,186 and a roll of 1,130 in June 2016.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee (company number 06929082) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

Trustees act as the trustees for the charitable activities of Bolton St Catherine's Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bolton St Catherine's Academy.

Details of the trustees who served throughout the year except as noted are included in the reference and administrative details on page 1 together with their registered office address.

##### Members' liability

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

##### Trustees' indemnities

In accordance with normal commercial practice, the academy 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 2016 was £1,000 (2015: £1,000).

##### Method of recruitment and appointment or election of trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and are trustees for the purposes of charity legislation.

Trustees are subject to retirement after four years, but are eligible for re-election at the meeting at which they retire, save for the principal or main sponsors' representative.

The academy recruits and elects trustees in the following way:-

- The Manchester Diocesan Board of Education appoints the first co-sponsor trustees.
- David and Anne Crossland appoint the second co-sponsor trustees.
- Bolton Metropolitan Borough Council appoints the LA trustee.
- The principal shall be treated for all purposes as being an ex officio trustee.
- The non-teaching staff trustee shall be elected by the non-teaching staff at the academy. The teaching staff trustee shall be elected by the teaching staff at the academy. The number of such trustees required shall be made up by persons appointed by the board of trustees if no member of the support staff and/or teaching staff stands for election (as appropriate).

##### Policies and procedures adopted for the induction and training of trustees

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

# **BOLTON ST CATHERINE'S ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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#### Organisational structure

The structure consists of three levels: the trustees, the strategic leadership team (SLT) and the leadership forum. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees 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 SLT consists of the principal, the director of finance, three vice-principals and the HR Director. This team controls the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the leadership forum always contain a trustee. Some spending control is devolved to budget holders within the academy, although limits and separation of duties control the exposure to risk.

The leadership forum includes the SLT, plus other managers who have responsibilities that cover the whole school. Membership can be fluid with relevant staff invited to join where appropriate. The leadership forum is 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 salary of the principal is arrived at through benchmarking of similar organisations. All decisions regarding pay of other key management personnel who work under Standard Teacher Pay and Conditions are made in accordance with the STPCD. This applies to the majority of the senior leadership team. For those who work under differing Pay and Conditions, the responsibility of the posts have been assessed against the rest of the team, and pay ranges arrived at which are commensurate with the responsibilities and skills expected of such a post.

#### Related parties and other connected charities and organisations

Bolton St Catherine's Academy is co-sponsored by the Church of England, through the Diocese of Manchester, and by David and Anne Crossland. Both sponsors provide strategic expertise and leadership of the trust through the appointment of the chair and sponsor trustees with appropriate knowledge and experience. In addition the Diocese of Manchester provides expertise through its network of schools and educational advisors.

### **Objectives and activities**

#### Objects and aims

The principal object and activity of the charitable company is the operation of Bolton St Catherine's Academy to provide education for pupils of different abilities between the ages of 3 and 19.

#### Objectives, strategies and activities

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" by the Secretary of State for Education. The Scheme of Governance 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.

The main objectives of the academy during the year ended 31 August 2016 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 requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

# **BOLTON ST CATHERINE'S ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### Public benefit

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

### **Strategic report**

#### Achievements and performance against key performance indicators

Improvements we have made in the academy have started to bear fruit in KS5 and KS2. We are sure that these improvements will show a similar impact in KS4 over the coming years.

In Key Stage 5, once again all students who applied to university gained their first choice, resulting in 24 students going on to university. Our academic and vocational subjects in Key Stage 5 show outstanding progress compared to national averages using nationally recognised ALPS reports, with the majority of our students showing progress in the top 25% nationally.

In Key Stage 2 the academy has performed well against the new measure of the "expected standard" at the end of year 6. This demonstrates our ability to consolidate learning and create a solid base of pupils as they move into Key Stage 3. The percentage of pupils meeting the expected standard or better in reading, writing and maths (combined) exceeds the national average by 10 percentage points.

In Key Stage 4 the results were disappointing and below expectations. This was despite the academy using external markers to moderate the mock exam results to try and better forecast the results. The new standard of Progress 8, which provides a measure of how students did against similar cohorts also showed a lower than expected result due to the inclusion of students who were being educated elsewhere.

Recruitment - the academy recruited 148 pupils into year 7 against a published admission number of 150. This was in a climate of falling rolls elsewhere in the borough and was above the number predicted by the local authority. In reception a total of 35 pupils enrolled, against a published admission number of 30, whilst in sixth form the academy retained 58 pupils into year 13, and recruited 57 students into year 12.

Attendance - the attendance by students in compulsory education is now 93%.

#### Attainment

Key Stage 5 - sixth form students achieved a 100% pass rate in our vocational subjects, and over 95% in our academic subjects.

Key Stage 2 - all pupils who achieved at level 2b or better in Key Stage 1 have achieved the expected standard at the end of Key Stage 2. 13% have made outstanding progress in maths and 17% in both reading and writing.

Key Stage 4 – using the new measure of Progress 8 we achieved a score of -0.85, and a 'basics' measure of 19% (representing those students who achieved C or better in maths and english GCSE).

#### Financial performance

The academy's financial objectives are:-

1. To maintain an operating surplus large enough to cope with unexpected events and new opportunities.
2. To achieve a balanced 'in-year' budget.
3. To ensure the academy's cash flow is sufficient for day to day activities.
4. To grow an endowment fund to support educational opportunities.

The academy has managed to meet most of these objectives, however, a reduction in the number of students at sixth form and reception compared to last year (which is the number we received funding for) has meant that our funds are showing a large reduction of £157k due to a claw-back from the DfE. Whereas this represents a reduction of funds available next year, for accounting purposes this is shown as a reduction this year.

Cash flow has been managed to keep a healthy cash balance.

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# **BOLTON ST CATHERINE'S ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The valuation of the pension fund has presented a problem in that it now shows a deficit of £2,414k due to a change of accounting standards meaning a lower discount rate has to be applied.

The investment vehicle for the endowment fund is showing good returns, showing an increase of £260k this year.

#### Going concern

The academy's activities, together with the factors likely to affect its future development, performance and position are set out in the achievements review on page 4. The financial position of the company, its cash flows and liquidity position are described in the statement of financial activities on page 17.

The company has sufficient financial resources together with long-term demand for places at the academy. As a consequence, the directors believe that the academy is well placed to manage its business risks successfully. The directors have a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Financial review**

Most of the academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 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 DfE. 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 2016, excluding fixed asset funds, total expenditure of £8,395k exceeded recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year was £300k.

At 31 August 2016 the net book value of fixed assets was £21,864k and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The actuarial loss on the pension scheme which is shown as an adjustment to the accounts is £1,365k. The net effect of the pension reserve movement is to increase the deficit on the restricted general fund from £886k to £2,414k, as outlined in note 18 to the financial statements.

Total funds at the balance sheet date were £20,300k (2015: £22,274k).

#### Reserves policy

The trustees review the reserve levels of the academy constantly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The academy is working towards a reserves policy that will allow changing needs to be addressed, and opportunities to be grasped - all within the challenging environment of reducing real value funding. - this would mean a level of £300k. In 2016 the level of free reserves (total funds less the amount held in fixed assets and pension reserve and endowment funds) at the balance sheet date were £33k (2015: £383k). The academy's current level of unrestricted reserves is £11k. The academy's restricted fund reserves are £22k. The academy is forecasting increased surpluses in coming years due to increased numbers arising from additions to the primary section of the school. This will increase reserves over time to the policy level.

Total funds at the balance sheet date were £20,300k (2015: £22,274k).

#### Investment policy

Endowment funds are held in such a way to allow the academy to use them to invest in any projects they see fit (including investing in the academy's own capital schemes) as long as a return can be shown. These funds are currently held in a managed fund which allows for withdrawal at any point but provides a good return.

# **BOLTON ST CATHERINE'S ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The investment committee has determined that these funds can be used to support educational aspirations of people living in Bolton, be this through awarding of grants, or by investing the funds in projects designed to increase the educational opportunities of its catchment area.

#### **Principal risks and uncertainties**

The trustees 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 trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures 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 main risks identified by trustees and mitigating factors are:-

1. Policy risk – change in government policy during uncertain economic times leaves the academy exposed to reduced income as government spending is reallocated. The only way to mitigate against this is to keep up to date with actual and expected proposals and adjust spending accordingly. A further policy risk is changes to educational policy, which may mean that key performance indicators and the way they are calculated are altered leaving us appearing to be deteriorating in performance, when we are actually improving. Again, keeping up to date with actual and expected proposals is a good mitigating factor, but also continuing on our improvement path should bring us out of the zone where such changes have greatest impact.
2. Competition risk – as more choice is available for students, particularly at KS5, there is a risk that the academy will not recruit enough students to keep it viable. The main method for dealing with this risk is a strong marketing strategy aimed at identifying potential students early, and keeping them and their families involved with the academy.
3. Fraud risk – misappropriated income and inappropriate expenditure may leave the academy with insufficient funds leaving it unsustainable. The main mitigation is the use of an audit responsible officer who is supported by an external team carrying out internal audits to ensure control measures are being followed. This has been successful this year with very positive reports from the responsible officer throughout the period.
4. Employment law risk – legislative requirements are not complied with – the academy has secured the services of an HR advice provider whose advice is backed up with insurance against tribunal costs.

#### **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 get jobs or a place in higher education once they leave.

In order to increase the amount of support available, the academy has also agreed to explore the possibilities of joining a multi academy trust.

#### **Auditor**

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors on 13 December 2016 and signed on the board's behalf by:

.....  
**Graham Burrows**  
**Chair of trustees**

# BOLTON ST CATHERINE'S ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Bolton St Catherine'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 conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bolton St Catherine'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 board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Graham Burrows	4	4
Dr Jonathan Steele	4	4
Alasdair Coates	4	4
Marc Crossland	2	4
Chris Hopkinson	2	4
Sir John Jones	2	4
Shelley Allen	4	4
Lee Harris	3	4
Ainsley Leonard	4	4
Anita Thorne	0	3
Hon Ald Frank White	4	4
Mark Littler	1	4

The assets committee is a sub-committee of the main board of trustees. Its main purpose is to assist in the decision making process of the governing body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances, resources and health and safety including proper planning, monitoring and probity. It then makes appropriate recommendations and advises the governing body on such matters on a regular basis. Major issues will be referred to the full governing body for ratification.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dr Jonathan Steele	4	4
Marc Crossland	3	4
Lee Harris	4	4
Mark Littler	4	4
Frank White	3	4
Graham Burrows (attending as COG)	4	4

In addition, Mr Littler fulfils the role of responsible audit officer (RAO). The role of the responsible audit officer is to be an "independent reviewer": maintaining an oversight of the academy's financial governance, risk management, internal control and value for money framework. All findings will be reported annually to the board of trustees. The responsible audit officer will be a member of the board of trustees and will be expected to sit on the assets committee, but may not chair the committee.

# **BOLTON ST CATHERINE'S ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Review of value for money**

As accounting officer of Bolton St Catherine's Academy the head is responsible and accountable for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands the Guide to Academy Value for Money Statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. Set out below are examples how the accounting officer has ensured that the academy's use of its resources has provided good value for money during the academic year.

### **Improving educational results:**

**Focus on individual pupils:** The academy has continued to support every single student, keeping their individual needs paramount – this includes one to one support for students, specialist groups targeted at specific needs (both emotional and behavioural) and offsite provision for those finding the structure of standard lessons difficult.

**Collaboration:** Many of the provisions for specialist groups are met through external companies. This allows us to extend the range of options we can offer without incurring set up costs. We have also participated in a School Improvement Group with local schools to share expertise around the local area.

**Quantifying improvements:** The academy has been able to meet many of its targets for the year. Once again, at KS5 all our students who applied to university secured their first choice place. The standing in the community has increased to such an extent that both Reception and Year 7 recruitment are now full.

**Financial governance and oversight:** The trust has an audit function fulfilled by a named director. During the year the trust has undergone an internal audit of payroll and purchasing along with a financial systems check by Baker Tilly. There were no issues of any significance raised during this audit. The assets committee meet on a regular basis to discuss financial governance and oversight. There have been no areas of significant note. The trust understands the need for it to be accountable as a publically funded organisation and does everything possible to be open and transparent. The trust's expenditure is economic, efficient and effective. The trust has ensured its governance structure is effective by placing qualified people in positions of challenge.

### **Better purchasing:**

**Fitness for purpose:** All service level agreements and contracts are reviewed on an annual basis to ensure that they are still required and they achieve value for money. This is done by the finance director and reviewed by the assets committee.

**Options appraisal:** All substantial purchases have been reviewed to ensure the chosen option is the best fit for the academy. This looks at value (including service and reliability) rather than just cost. Academy leaders must highlight the expected benefits in terms of impact.

**Economies of scale:** The academy identified a number of areas for collaboration with neighbouring schools – one is around an offsite provision whereby a company has been engaged to work full time across the 2 schools, with allocation left as flexible. Another is providing KS5 courses to students from a neighbouring school with some of our students studying specific subjects with them. This allows for better value for money in classes where student numbers would be too small to put the course on. We also share facilities and maintenance costs with our neighbouring school to ensure we are getting maximum efficiency from our site teams.

**Better income generation:** We are continually looking at how we can get maximum return from the academy resources. This has included selling expertise to other schools, opening our sports facilities to the public and hosting conferences and events.

# **BOLTON ST CATHERINE'S ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Reviewing controls and managing risks:**

The trust has a risk register that is updated on a regular basis. Currently there are no significant areas of risk. There has been an internal audit undertaken by external accountants to check the financial systems procedures and policies and again there are no significant areas of concern. The school ensures that all insurable risks are covered by appropriate insurance and makes an assessment of when self-insurance would be more cost effective. The trustees review on a regular basis the financial and educational performance of the trust and challenge any areas of concern. Regular financial reports and Pupil Performance reports are produced and presented to trustees.

There are three levels of monitoring:-

- Day to day - head teacher, financial director, HR director and staff.
- Operational - head teacher, finance director, HR director, finance committee, audit committee.
- Strategic - full board of trustees.

The trust has reviewed how they invest any surplus generated to ensure maximum return (taking into account it cannot take a risk with public money).

The trust constantly reviews how the organisation performs and how it can be re-engineered to improve performance. The staffing structure is the main area of focus to ensure good management, high teaching standards and high pupil results and behaviour.

### **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 Bolton St Catherine's Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **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 assets 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mark Littler, a trustee, as responsible audit officer (RAO), to act in the place of a full audit committee. The RAO is supported in this work through the use of an external company, Baker Tilly to carry out reviews.

# **BOLTON ST CATHERINE'S ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Review of effectiveness**

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

- the work of the responsible audit officer;
- the work of the external auditor;
- the work of Baker Tilly to provide internal audit reports; and
- 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 assets committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 13 December 2016 and signed on its behalf by:

.....  
**Graham Burrows**  
**Chair of trustees**

.....  
**Lee Harris**  
**Accounting officer**

# **BOLTON ST CATHERINE'S ACADEMY**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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As accounting officer of Bolton St Catherine's Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust'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 2015.

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

.....  
**Lee Harris**  
**Accounting officer**

13 December 2016

# **BOLTON ST CATHERINE'S ACADEMY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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The trustees (who also act as governors for Bolton St Catherine's Academy and are also the directors of Bolton St Catherine's Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 13 December 2016 and signed on its behalf by:

.....  
**Graham Burrows**  
**Chair of trustees**

# **BOLTON ST CATHERINE'S ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF BOLTON ST CATHERINE'S ACADEMY**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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We have audited the accounts of Bolton St Catherine's Academy for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees, who are also the directors of Bolton St Catherine's Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

In our opinion the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

# **BOLTON ST CATHERINE'S ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF BOLTON ST CATHERINE'S ACADEMY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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

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

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

**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: .....

# **BOLTON ST CATHERINE'S ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BOLTON ST CATHERINE'S ACADEMY AND THE EDUCATION FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bolton St Catherine's Academy during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Bolton St Catherine's Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bolton St Catherine's Academy's funding agreement with the Secretary of State for Education dated 28 August 2009 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# **BOLTON ST CATHERINE'S ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BOLTON ST CATHERINE'S ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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

.....  
**Haines Watts**  
**Reporting Accountant**

Dated: .....

# BOLTON ST CATHERINE'S ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Endowment Fixed asset £000	Funds £000	Total 2016 £000	Total 2015 £000
<b>Income and endowments from:</b>							
Donations and capital grants	2	20	-	122	17	159	9
Charitable activities:							
- Funding for educational operations	3	-	7,820	-	-	7,820	7,819
Other trading activities	4	238	17	-	-	255	428
Investments	5	-	-	-	-	-	19
<b>Total income and endowments</b>		<u>258</u>	<u>7,837</u>	<u>122</u>	<u>17</u>	<u>8,234</u>	<u>8,275</u>
<b>Expenditure on:</b>							
Raising funds	6	223	-	-	-	223	230
Charitable activities:							
- Educational operations	7	-	8,172	671	-	8,843	8,521
<b>Total expenditure</b>	6	<u>223</u>	<u>8,172</u>	<u>671</u>	<u>-</u>	<u>9,066</u>	<u>8,751</u>
Gains on endowment investments		-	-	-	223	223	85
<b>Net income/(expenditure)</b>		35	(335)	(549)	240	(609)	(391)
Transfers between funds		(300)	87	193	20	-	-
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,365)	-	-	(1,365)	29
<b>Net movement in funds</b>		<u>(265)</u>	<u>(1,613)</u>	<u>(356)</u>	<u>260</u>	<u>(1,974)</u>	<u>(362)</u>
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>276</u>	<u>(779)</u>	<u>22,220</u>	<u>557</u>	<u>22,274</u>	<u>22,636</u>
Total funds carried forward		<u>11</u>	<u>(2,392)</u>	<u>21,864</u>	<u>817</u>	<u>20,300</u>	<u>22,274</u>

# BOLTON ST CATHERINE'S ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		21,864		22,220
<b>Current assets</b>					
Stocks	12	35		37	
Debtors	13	237		201	
Investments		794		571	
Cash at bank and in hand		837		859	
		<u>1,903</u>		<u>1,668</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(1,053)</u>		<u>(728)</u>	
<b>Net current assets</b>			850		940
<b>Net assets excluding pension liability</b>			22,714		23,160
Defined benefit pension liability	18		<u>(2,414)</u>		<u>(886)</u>
<b>Net assets</b>			<u>20,300</u>		<u>22,274</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			21,864		22,220
- Restricted income funds			22		107
- Pension reserve			(2,414)		(886)
- Endowment funds			817		557
<b>Total restricted funds</b>			<u>20,289</u>		<u>21,998</u>
<b>Unrestricted income funds</b>	16		<u>11</u>		<u>276</u>
<b>Total funds</b>			<u>20,300</u>		<u>22,274</u>

The accounts were approved by the board of trustees and authorised for issue on 13 December 2016 and are signed on its behalf by:

.....  
**Graham Burrows**  
Chair of trustees

Company Number 06929082

# BOLTON ST CATHERINE'S ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £000	£000	2015 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		154		350
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		-		19	
Capital grants from DfE and EFA		22		-	
Capital funding from sponsors and others		100		-	
Payments to acquire tangible fixed assets		(315)		(90)	
			(193)		(71)
<b>Cash flows from financing activities</b>					
Endowment fund income		17		6	
			17		6
<b>Change in cash and cash equivalents in the reporting period</b>			(22)		285
Cash and cash equivalents at 1 September 2015			859		574
<b>Cash and cash equivalents at 31 August 2016</b>			<b>837</b>		<b>859</b>

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# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

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

These accounts for the year ended 31 August 2016 are the first accounts of Bolton St Catherine's Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 accounts 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 accounts.

##### 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 receivable

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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

###### 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.

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### 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'.

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

##### Endowment income

Endowment income is recognised in the period it is received.

#### 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.

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

##### 1.5 Tangible fixed assets and depreciation

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities 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 basis over its expected useful life, as follows:

Land	nil
Buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	20% straight line
Building improvements	10% straight line

Donated assets are included in the balance sheet at their value on donation and depreciated in accordance with the standard accounting policies.

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 Leasing and hire purchase commitments

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

##### 1.8 Investments

Current asset investments are stated at market value.

##### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# **BOLTON ST CATHERINE'S ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **1 Accounting policies**

##### **1.10 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.

##### **1.11 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. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

##### **1.12 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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

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

Endowment funds may be used to fund essential one-off projects as approved by the Governing Body.

##### **1.13 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

#### 1.14 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.

##### 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	122	-	122	-
Other donations	20	-	-	20	3
Endowments	-	-	17	17	6
	<u>20</u>	<u>122</u>	<u>17</u>	<u>159</u>	<u>9</u>

The income from donations and capital grants was £159,000 (2015: £9,000) of which £20,000 was unrestricted (2015: £nil), £nil was restricted general funds (2015: £3,000), £122,000 was restricted fixed asset funds (2015: £nil) and £17,000 was restricted endowment funds (2015: £6,000).

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	6,422	6,422	6,386
Start up grants	-	-	-	33
Other DfE / EFA grants	-	703	703	636
	<u>-</u>	<u>7,125</u>	<u>7,125</u>	<u>7,055</u>
<b>Other government grants</b>				
Local authority grants	-	695	695	762
Special educational projects	-	-	-	2
	<u>-</u>	<u>695</u>	<u>695</u>	<u>764</u>
<b>Total funding</b>	<u>-</u>	<u>7,820</u>	<u>7,820</u>	<u>7,819</u>

The income from funding for educational operations was £7,820,000 (2015: £7,819,000) of which £7,820,000 was restricted (2015: £7,819,000).

The academy trust received £695,000 from the local authority in the year, being £421,000 schools grant, £97,000 early years funding, £2,000 pupil premium funding and £175,000 in relation to costs incurred on behalf of Firwood Special School.

There were no unfulfilled conditions or other contingencies relating to the grants received during the year.

### 4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	49	-	49	247
Catering income	138	-	138	106
School trips income	-	17	17	58
Uniform sales	1	-	1	1
Other income	50	-	50	16
	<u>238</u>	<u>17</u>	<u>255</u>	<u>428</u>

The income from other trading activities was £255,000 (2015: £428,000) of which £238,000 was unrestricted (2015: £370,000) and £17,000 was restricted (2015: £58,000).

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	-	-	-	19

The income from funding for investment income was £nil (2015: £19,000) of which £nil (2015: £19,000) was unrestricted.

### 6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
<b>Academy's educational operations</b>					
- Direct costs	4,909	604	702	6,215	5,950
- Allocated support costs	1,270	345	1,013	2,628	2,571
	<u>6,179</u>	<u>949</u>	<u>1,715</u>	<u>8,843</u>	<u>8,521</u>
<b>Other expenditure</b>					
Raising funds	-	-	223	223	230
	<u>-</u>	<u>-</u>	<u>223</u>	<u>223</u>	<u>230</u>
<b>Total expenditure</b>	<u>6,179</u>	<u>949</u>	<u>1,938</u>	<u>9,066</u>	<u>8,751</u>

The expenditure on raising funds was £223,000 (2015: £230,000) of which £223,000 was unrestricted (2015: £230,000).

### Net income/(expenditure) for the year includes:

	2016 £000	2015 £000
Fees payable to auditor for:		
- Audit	8	8
- Other services	5	10
Operating lease rentals	52	40
Depreciation of tangible fixed assets	671	679

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Charitable activities

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>All from restricted funds:</b>		
Direct costs - educational operations	6,215	5,950
Support costs - educational operations	2,628	2,571
	<u>8,843</u>	<u>8,521</u>

The expenditure on educational operations was £8,843,000 (2015: £8,521,000) of which £8,172,000 was restricted (2015: £7,842,000) and £671,000 was restricted fixed assets (2015: £679,000).

<b>Analysis of costs</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	4,873	4,430
Staff development	36	32
Depreciation and amortisation	604	610
Technology costs	48	71
Educational supplies and services	567	730
Examination fees	87	77
	<u>6,215</u>	<u>5,950</u>
<b>Support costs</b>		
Support staff costs	1,270	1,364
Depreciation and amortisation	67	69
Recruitment and support	47	54
Maintenance of premises and equipment	278	208
Cleaning	39	36
Energy costs	212	212
Rent and rates	123	91
Insurance	65	68
Security and transport	23	27
LGPS interest	36	30
Other support costs	455	390
Governance costs	13	22
	<u>2,628</u>	<u>2,571</u>

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

	2016 £000	2015 £000
Wages and salaries	4,729	4,516
Social security costs	373	326
Operating costs of defined benefit pension schemes	831	725
	<u>          </u>	<u>          </u>
Staff costs	5,933	5,567
Supply staff costs	174	154
Staff restructuring costs	10	3
Staff development and other staff costs	62	102
	<u>          </u>	<u>          </u>
Total staff expenditure	6,179	5,826

### Staff numbers

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

	2016 Number	2015 Number
Teachers	146	135
Administration and support	62	53
Management	9	6
	<u>          </u>	<u>          </u>
	217	194

### Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	-	1
£120,001 - £130,000	1	1
	<u>          </u>	<u>          </u>

### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,700 (2015: £nil). Individually, the payment was £3,700.

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £576,490 (2015: £481,452).

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments of £761 (2015: £nil) were reimbursed to 3 trustees.

The value of trustees' remuneration was as follows:

L Harris (principal and trustee):		
Remuneration	£120,000 - £125,000	(2015: £120,000 - £125,000)
Employer's pension contributions	£20,000 - £25,000	(2015: £15,000 - £20,000)
A Leonard (staff trustee):		
Remuneration	£35,000 - £40,000	(2015: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2015: £0 - £5,000)
S Allen (staff trustee):		
Remuneration	£20,000 - £25,000	(2015: £20,000 - £25,000)
Employer's pension contributions	£0 - £5,000	(2015: £0 - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

#### 10 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 2016 was included in the total insurance cost.

#### 11 Tangible fixed assets

	Land and buildings	Building improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2015	22,483	-	1,185	57	23,725
Additions	174	62	56	23	315
At 31 August 2016	22,657	62	1,241	80	24,040
<b>Depreciation</b>					
At 1 September 2015	637	-	822	46	1,505
Charge for the year	450	6	205	10	671
At 31 August 2016	1,087	6	1,027	56	2,176
<b>Net book value</b>					
At 31 August 2016	21,570	56	214	24	21,864
At 31 August 2015	21,846	-	363	11	22,220

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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<b>12</b>	<b>Stocks</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	School uniform	35	37
		<u>          </u>	<u>          </u>
<b>13</b>	<b>Debtors</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Trade debtors	19	51
	VAT recoverable	144	89
	Prepayments and accrued income	74	61
		<u>          </u>	<u>          </u>
		237	201
		<u>          </u>	<u>          </u>
<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Trade creditors	761	609
	Accruals and deferred income	292	119
		<u>          </u>	<u>          </u>
		1,053	728
		<u>          </u>	<u>          </u>
<b>15</b>	<b>Deferred income</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Deferred income is included within:		
	Creditors due within one year	226	71
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2015	71	12
	Released from previous years	(71)	(12)
	Amounts deferred in the year	226	71
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2016</b>	<b>226</b>	<b>71</b>
		<u>          </u>	<u>          </u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Universal Infant Free School Meals - £13,511
- Rates rebate - £33,920
- 16-19 bursary - £21,532
- GAG pupil number adjustment - £156,652

The GAG pupil number adjustment relates to a claw back of funding for the 2015/16 year due to funding initially being provided based on estimated pupil numbers.

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Funds

	Balance at 1 September 2015 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31 August 2016 £000
<b>Restricted general funds</b>					
General Annual Grant	85	6,422	(6,594)	87	-
Other DfE / EFA grants	-	703	(681)	-	22
Other government grants	22	695	(717)	-	-
Other restricted funds	-	17	(17)	-	-
	<u>107</u>	<u>7,837</u>	<u>(8,009)</u>	<u>87</u>	<u>22</u>
Funds excluding pensions	107	7,837	(8,009)	87	22
Pension reserve	(886)	-	(163)	(1,365)	(2,414)
	<u>(779)</u>	<u>7,837</u>	<u>(8,172)</u>	<u>(1,278)</u>	<u>(2,392)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	122	(122)	-	-
Capital expenditure from GAG	90	-	(90)	193	193
Private sector capital sponsorship	22,130	-	(459)	-	21,671
	<u>22,220</u>	<u>122</u>	<u>(671)</u>	<u>193</u>	<u>21,864</u>
Restricted endowment fund	557	17	-	243	817
	<u>557</u>	<u>17</u>	<u>-</u>	<u>243</u>	<u>817</u>
<b>Total restricted funds</b>	<u>21,998</u>	<u>7,976</u>	<u>(8,843)</u>	<u>(842)</u>	<u>20,289</u>
<b>Unrestricted funds</b>					
General funds	276	258	(223)	(300)	11
	<u>276</u>	<u>258</u>	<u>(223)</u>	<u>(300)</u>	<u>11</u>
<b>Total funds</b>	<u>22,274</u>	<u>8,234</u>	<u>(9,066)</u>	<u>(1,142)</u>	<u>20,300</u>

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 16 Funds

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

Restricted general funds are those resources that have been designated by the grant provider in meeting the objectives of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Endowment funds may be used to fund essential one-off projects as approved by the governing body.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

A transfer has been made between unrestricted reserves and restricted reserves to cover the deficit on restricted reserves.

#### 17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General      Fixed asset £000          £000		Endowment Funds £000	Total 2016 £000
<b>Fund balances at 31 August 2016 are represented by:</b>					
Tangible fixed assets	-	-	21,864	-	21,864
Current assets	1,064	22	-	817	1,903
Creditors falling due within one year	(1,053)	-	-	-	(1,053)
Defined benefit pension liability	-	(2,414)	-	-	(2,414)
	<u>11</u>	<u>(2,392)</u>	<u>21,864</u>	<u>817</u>	<u>20,300</u>

#### 18 Pensions 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 Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 18 Pensions and similar obligations

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £541,000 (2014: £566,000).

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

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

###### 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 17% for employers and 5.5-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £265,000.

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Pensions and similar obligations

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.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	295	256
Employees' contributions	39	93
	<u>          </u>	<u>          </u>
Total contributions	<u>334</u>	<u>349</u>
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

### Sensitivity analysis

<b>Changes in assumptions at 31 August 2016</b>	<b>Approximate % increase to employer liability</b>	<b>Approximate monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	14%	1,199
1 year increase in member life expectancy	3%	256
0.5% increase in the Salary Increase Rate	5%	469
0.5% increase in the Pension Increase Rate	8%	690

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

	<b>2016</b>	<b>2015</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Pensions and similar obligations

The academy trust's share of the assets in the scheme	2016 Fair value £000	2015 Fair value £000
Equities	4,403	3,447
Bonds	1,040	861
Cash	306	191
Property	366	287
Total market value of assets	<u>6,115</u>	<u>4,786</u>
Actual return on scheme assets - gain/(loss)	<u>995</u>	<u>104</u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2016 £000</b>	<b>2015 £000</b>
Current service cost (net of employee contributions)	410	381
Net interest cost	36	30
Plan introductions, benefit changes, curtailments and settlements	12	4
Total operating charge	<u>458</u>	<u>415</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2016 £000</b>	<b>2015 £000</b>
Obligations at 1 September 2015	5,672	5,153
Current service cost	410	381
Interest cost	224	198
Employee contributions	103	93
Actuarial gain	2,172	(93)
Benefits paid	(64)	(64)
Plan introductions, benefit changes, curtailments and settlements	12	4
At 31 August 2016	<u>8,529</u>	<u>5,672</u>

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 18 Pensions and similar obligations

##### Changes in the fair value of the academy trust's share of scheme assets

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Assets at 1 September 2015	4,786	4,397
Interest income	188	250
Return on plan assets (excluding amounts included in net interest): Actuarial gain	807	(146)
Employer contributions	295	256
Employee contributions	39	93
Benefits paid	—	(64)
At 31 August 2016	<u>6,115</u>	<u>4,786</u>

#### 19 Reconciliation of net expenditure to net cash flows from operating activities

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the reporting period	(832)	(476)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(122)	-
Net endowment income	(17)	(6)
Investment income	-	(19)
Defined benefit pension costs less contributions payable	127	129
Defined benefit pension net finance cost/(income)	36	30
Depreciation of tangible fixed assets	671	679
(Increase)/decrease in stocks	2	1
(Increase)/decrease in debtors	(36)	22
Increase/(decrease) in creditors	325	(10)
<b>Net cash provided by operating activities</b>	<u>154</u>	<u>350</u>

#### 20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Amounts due within one year	47	6
Amounts due in two and five years	26	33
	<u>73</u>	<u>39</u>

# BOLTON ST CATHERINE'S ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 21 Capital commitments

	2016 £000	2015 £000
Expenditure contracted for but not provided in the accounts	526	-

### 22 Related party transactions

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

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

### 23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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 £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £20,582 (2015: £34,170) and disbursed £17,380 (2015: £15,840) from the fund. An amount of £21,532 is included in other creditors relating to undistributed funds that are repayable to EFA.

### 25 Reconciliations on adoption of FRS 102

#### Reconciliation of funds for the previous financial period

	1 September 2014 £000	31 August 2015 £000
Funds as reported under previous UK GAAP	22,636	22,189
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(82)
Change in actuarial loss	1	82
Change in value of endowment investments	2	85
Funds reported under FRS 102	22,636	22,274

**BOLTON ST CATHERINE'S ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**25 Reconciliations on adoption of FRS 102**

**Reconciliation of net loss for the previous financial period**

	<b>Notes</b>	<b>2015 £000</b>
Net expenditure as reported under previous UK GAAP		(447)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(82)
Change in actuarial loss	1	82
Change in gains on endowment investments	2	85
Net expenditure reported under FRS 102		<u>(362)</u>

**Notes to reconciliations on adoption of FRS 102**

**1. Change in recognition of LGPS**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £82,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.

**2. Change in measurement of endowment investments**

Under previous UK GAAP the trust recognised the endowment current asset investments at cost rather than market value. Under FRS102 the trust must recognise the endowment current asset investment at market value. The effect of the change has been to increase the value of current assets by £85,000, and to increase the gains on endowment investments by £85,000.