

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

CONTENTS

FOR THE YEAR ENDED 31 AUGUST 2014

	Page
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 – 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 – 14
Independent reporting accountant's report on regularity	15 – 16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the accounts	20 – 36

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2014

Trustees

G R Centeleghe
Rev Dr A C Cogliolo
P J Donnelly
R M Haig
P K Hatchman
T N Hutchinson (Resigned 2 July 2014)
M T Lalley
D McDermott
K L Nodding
H R Norwood
S Parkinson
B Sharp
M D Thompson
D Kavanagh
M A Kerr (Appointed 20 December 2013)
Y Kearns (Retired 10 December 2013)
Rev Br J T Sullivan
EJR Thomas (Retired 25 September 2013)
J Stehouse (Appointed 2 July 2014)
S L Alford (Appointed 12 March 2014)

Members

The Trustees of the Property held in connection with the English Province
of the Congregation of Christian Brothers
R M Haig
P K Hatchman

Senior management team

- Head master
- Deputy head master
- Deputy head master
- Acting deputy head master
- Acting deputy head master
- Assistant head/Director of sixth form
- Chief financial officer

M D Thompson
M Arthur
P Howard
J Toal
T Hutchinson
P M Ridgway
S Parkinson

Company secretary

S Parkinson

Company registration number

07827963 (England and Wales)

Registered office

Hale Barns
Altrincham
Cheshire
WA15 OHE

Independent auditor

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Saint Ambrose College Edmund Rice Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Saint Ambrose College. Details of the trustees who served during the year are included in the reference and administrative details on page 1.

Member's liability

The members of the charitable company undertake 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 Sterling, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The college maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The college has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or other officers of the college. The limit of the indemnity is £2,000,000

Method of recruitment and appointment or election of trustees

The company's articles of association provide for the election or appointment of trustees. In summary, the number of trustees shall not be less than three and has no maximum number. Ordinarily, the board of trustees consists of-

- up to 8 foundation trustees appointed by the chair of the Trustees of the Property held in connection with the English Province of the Congregation of Christian Brothers;
- up to 4 parent trustees appointed by parents of registered pupils in the college;
- up to 2 staff trustees appointed by staff members of the college; and
- the head master *ex officio*.

A trustees' term of office (excluding the head master) is four years and they may be re-appointed or re-elected for further terms of office.

Appropriate training is provided to all trustees as required.

Policies and procedures adopted for the induction and training of trustees

During the year under review the full board of trustees met five times and its committees met at least once a term. The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on educational, charity, legal and financial matters. All new trustees will be given a tour of the college and the chance to meet with other trustees, staff and pupils. All plans and other documents they will need to undertake their role as trustees. As there are normally very few new trustees, induction tends to be done informally and is tailored specifically to the individual.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

The organisational structure consists of three levels; the trustees, the senior leadership team and the faculty, subject, department and house leaders. 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 college by the use of budgets and making major decisions about the direction of college expenditure and matters relating to staffing (resourcing, appointing, pay and performance monitoring). The senior leadership team comprises the head master, deputy and assistant heads and the chief finance officer. These managers control the college at an executive level, implementing the policies laid-down by the trustees and reporting back to them. As a group, the senior leadership team is responsible for the allocation of spending within agreed budgets and the appointment of staff through appointment boards. Some spending control is devolved to members of the faculty, subject, department and house leaders' group. Spending limits exist which require authorisation by the senior leadership team. Individual budget managers include faculty leaders, department leaders (including estates branch and catering branch), subject leaders and house leaders. These managers are responsible for the day-to-day operation of the college, in particular, organising teaching, learning, pastoral and extra-curricular facilities and opportunities.

Connected organisations including related party transactions

The Congregation of Christian Brothers owns the freehold of the college land that it currently leases to the college on a 99-year lease at an annual rent of one peppercorn. Saint Ambrose Parents' Association is a separate body which organises various fund-raising events to enhance facilities for pupils either in Saint Ambrose Preparatory School (a separate entity), or in the college. The Saint Ambrose College Charity is a separately registered charity (registration number 526013). Its sole object is the provision of financial grants to the college for the up-keep or development of premises and facilities.

Objectives and activities

Objects and aims

The principal object of the charitable company is the operation of Saint Ambrose College Edmund Rice Academy Trust to provide education for boys between the ages of 11 and 19.

Objectives, strategies and activities

The charitable company took over the operation of Saint Ambrose College on the college's conversion to academy status on 1 May 2012. Most of the college's recurrent income is obtained from Education Funding Agency (EFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The main objectives of the college during the year ended 31 August 2014 are summarised below:-

- To ensure that every boy enjoys the same high quality education in terms of resourcing, tuition, welfare and care which accords with the Magisterium of the Roman Catholic Church and the principles of Blessed Edmund Rice and the Congregation of Christian Brothers
- To raise the standard of educational achievements of all boys
- To improve the effectiveness of the college by keeping the curriculum and organisational structure under constant review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curricular requirements
- To provide extra-curricular activities outside the classroom to enhance each boy's personal development
- To conduct the college's business in accordance with the highest standards of integrity, probity and openness

The college's main vocational strategy is encompassed in the Blessed Edmund Rice Eight Essentials viz-

- Evangelising the modern world
- Promoting the spiritual in Gospel
- Building a Christian community
- Compassion for those in need
- Concern for the whole person
- Striving for excellence
- Education as a Christian calling
- Education for justice

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Public benefit

In setting of the objectives and in planning the activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the charitable company's aims are demonstrably to the public benefit.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The college carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees. The college has implemented a number of detailed policies in relation to all aspects of personnel matters. The college has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The college aims to establish equal opportunity in all areas of its activities including creating a working and learning environment in which the contribution and needs of all people are fully valued.

Disabled persons

Wheelchair access is to all areas throughout the college. This includes lifts to all floors, refuge points on fire escapes, specific washroom facilities (including an alert mechanism for those in peril). The policy of the college is to support recruitment and retention of employees with disabilities. The college does this by adapting the physical environment by making support resources available and through training and career development.

Strategic report

Achievements and performance

The trustees were delighted to learn that the results of the college pupils' 2014 A' Level and GCSE examinations were the highest in the college's history. Following the previous year's GCSE results, which were the highest for 5 years, this is very encouraging for both staff and pupils, especially those pupils continuing their education at the college for their A' levels.

The Catholic spirit of the college was highlighted by the newly appointed head boy, attending the World Youth Day in Brazil in July 2013, in particular taking part in Mass on Copacabana Beach in the presence of Pope Francis and with 300,000 other pilgrims.

966 pupils enrolled at the start of the academic year, with over 170 boys accepting places in year 1. In addition, over 200 pupils entered in the upper and lower 6th form reflecting the increased popularity of the college with its new facilities.

Sport continues to flourish at the college with a wide range of different activities available, following completion of the new building and the sports facilities. The new sports facilities are proving good for the future of St Ambrose sport. For example, the under-14s rugby team won the Cheshire Cup, the North England Schools' Cup, the Wirral Sevens and the Kirkham Sevens Tournament. In the 15-a-side season they won 28 out of 29 matches scoring 1091 points and conceding only 161. The future looks good for St Ambrose rugby.

The swimming pool has produced an excellent swimming team, winning across all swimming strokes in the Trafford Schools' Swimming Championships and the Greater Manchester Games. Water polo teams have also excelled in several age groups.

The college pupils are constantly challenged with new projects such as lacrosse, radio broadcasting, Debating Society, cookery classes and demonstrations.

A sponsored triathlon enabled the college to send a donation of over £650 to a local Charity Hospice, Francis House. A further £12,000 (the most ever raised) was raised in a sponsored walk. All of the funds will be used to support the college's sister school St Ambrose Academy, Freetown, Sierra Leone.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Rugby continues at an impressive level but in addition to the normal sports, every lunchtime the boys were using weight training in the sports hall and on the all-weather pitch badminton, basketball, hockey and circuit training are available. The college's 4 basketball teams compete in the Trafford Schools League. Table tennis and volleyball took place also.

Over 35 clubs and societies for the pupils were established, in which the pupils were encouraged to take part. In October a group of students travelled to Auschwitz. As one of the boys later wrote, "in order to truly experience something one must see it before one's eyes". That would be a day which, as he wrote, "will be permanently etched into our minds". Trips to many parts of Europe and the world were carried out during the year including trips by 6th formers to Spain during the Lent half term break and to Normandy by the whole of year 1 during the Summer term.

In the UK, many trips were organised by different members of staff and departments such as visits to Daresbury Innovation Centre and to the Houses of Parliament.

Music played a prominent part in College activities and in the lives of individual pupils during the year. The college Chamber Choir performed Vivaldi's "Gloria" with the St Philip Neri Singers in March. The music department was invited to MediaCityUK to listen to the BBC philharmonic in rehearsal, which was fast-paced and exciting, giving the pupils an enriching insight into the workings of a professional orchestra.

Contact has been maintained with Christian Brother Schools around the world including CB schools from South Africa whose hockey and football teams visited the UK and whose members greatly enjoyed their visit to Manchester in May. In particular they appreciated the hosting with English families that they enjoyed whilst in the country. This trip gave our young boys a great opportunity to find out what life is really like in the new South Africa and to develop understanding and a vital bond of friendship.

Much of a school's achievement depends upon and is a credit to its staff; St Ambrose has been very fortunate in that respect. There are many long-standing members of staff still working at the college and we have been able to attract good staff members to replace those who leave. Loyalty is a prime feature of staff commitment.

Sadly we lost some staff members as is inevitable in such a large staff membership. Replacements will be sought for the next year. In particular, we were very sad to hear of the death of Mr Ged Stone who had been appointed head of science only a year earlier. Ged had been away from the college because of his illness for the whole year and sadly died in the Summer of 2014. The board of trustees expresses its condolences to Ged's wife and children and the whole family. We also learned of the sad death of Sheila Ball who had been the college secretary and bursar in years past. We send our condolences to her family also.

The Catholic spiritual side of the college is provided by Rev Dr Anthony Cogliolo (a trustee) and other priests who come into the college on a regular basis to say Mass, hear Confessions and lead the pupils upon special days of Christian significance during the year. Fr Cogliolo, in particular, comes into the college each week to say Mass in the College Chapel. A tabernacle for the college was ordered during this year.

Much is due behind the scenes to the Parents' Association and to the Old Boys Association, both of whom have worked tirelessly for the college throughout the year.

Taking all things into account, the college has had an excellent year in relation to exam results, sports achievements, catholic faith and social interaction. Things look good for the years to come.

Key performance indicators

The trustees consider that the following are key performance indicators for the college-

- percentage of income received from EFA spent on teaching staff;
- percentage of income received from EFA spent on total staff costs;
- pupil numbers (current on roll, numbers sitting the entrance examination and anticipated new academic year intake);
- pictorial analysis of income spent against main sectors (staffing, curricular provisions, support provisions, occupational estates costs);
- number of months grant income coverage held in cash at bank; and
- general financial stability (in that future income matches anticipated expenditure).

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during that period.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

During the year ended 31 August 2014, excluding the fixed asset fund, the resources expended of £5,208,000 were partially matched by £4,957,000 total incoming resources. There was a shortfall of £251,000. At 31 August 2014, the net book value of fixed assets was £27,604,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the college.

Reserves policy

The trustees review the reserve levels of the college annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies for example, such as repairs following a catastrophic failure in a building management system. The college held funds balances at 31 August 2014 of £28,313,000. These funds comprise restricted fixed asset funds of £27,604,000 and other funds of £709,000. There is also a Local Government Pension Scheme reserve deficit of £172,000 and an historical deficit of £248,400 relating to the closed Christian Brothers Employee Benefits Scheme. Employer contributions are reviewed in consultation with the Local Government Pension Scheme's administrators. A fund valuation is conducted annually which is used to decide future employer contribution rates.

Investment policy

Apart from the cash held for the operation of the college, Saint Ambrose College Edmund Rice Academy Trust has no realisable investments. With respect to its cash holdings the board of trustees has adopted a low risk strategy. In addition to the main current account the college maintains an instant access deposit account. Suitable sweeping and switching procedures are in place at the college's bankers to ensure that adequate funds are available in the current account whilst maintaining a balance in the interest-paying deposit account as high as possible.

Principal risks and uncertainties

The main risks that the college is exposed to are summarised below. For each of these risks the probability, impacts and seriousness have been considered together with appropriate action and avoidance.

Strategic and reputation: this covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for college service such as competition from other schools with similar objectives and little scope for differentiation. This also includes the capacity of existing buildings, facilities and resources to deliver teaching and learning to pupils.

Financial risk: the risk of the college not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years (in staff costs, provisions and estates maintenance). Furthermore, in connection with the deficit in the Local Government Pension Scheme, the trustees are comfortable with the current (and predicted) level of employer contributions the college is (or will be) required to pay.

Risk management

The trustees have assessed the major risks to which the college is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the college, including its finances. The trustees have implemented a number of systems to assess risks that the college faces, especially in operational areas, for example, in relation to teaching, health and safety, educational and recreational visits and trips and in relation to the control of finance. They have introduced systems, including operational procedures for example recruitment of new staff, supervision of college grounds and facilities 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 college has an effective system of internal financial controls and this is explained in more detail in the governance statement.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Financial and risk management objectives and policies

The college uses various financial instruments including cash and various items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the college's operations.

Liquidity risk: the college manages its cash resources including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

Interest rate risk: the college earns interest on cash deposits and with interest rates currently low, the trustees will take appropriate action to ensure they maximise the income from these deposits.

Credit risk: this is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers

Plans for future periods

We are proposing to extend the age range of the College to 4 -19 by developing an Infant and Junior Section. At the time that this report is being prepared arrangements are still being considered and no final decisions have been made.

Funds held as custodian trustee on behalf of others

During the year to 31 August 2014 Saint Ambrose College Edmund Rice Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

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 ...11/17/14..... and signed on the board's behalf by:



.....
P K Hatchman
Chair of trustees

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the head master, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Saint Ambrose College Edmund Rice Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the trustees' responsibilities statement. The board of trustees has formally met five times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee meetings attended:

Trustee	Meetings attended	Out of a possible
S L Alford	2	2
G R Centeleghe	3	5
A C Cogliolo	4	5
P J Donnelly	3	5
R M Haig	5	5
P K Hatchman	5	5
T N Hutchinson	2	5
D Kavanagh	4	5
Y Kearns	0	3
M A Kerr	1	5
M T Lally	4	5
D McDermott	5	5
K L Nodding	3	5
H R Norwood	1	5
S Parkinson	3	3
B Sharp	5	5
J Stenhouse	0	0
J T Sullivan	5	5
EJR Thomas	0	1
M D Thompson	5	5

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The finance committee is an executive committee of the main governing body. Its purpose is to consider and recommend the college's budget, contribute to the development plan, monitor and review expenditure, financial procedures and service level agreements as well as any issues relating to the building and environment of the college.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P J Donnelly	5	5
R M Haig	5	5
P K Hatchman	5	5
T N Hutchinson	4	5
K L Nodding	5	5
S Parkinson	5	5
J T Sullivan	5	5
M D Thompson	5	5

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Saint Ambrose College Edmund Rice Academy Trust for the year 1 September 2013 to 31 August 2014 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 college is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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 college's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed HCSS Education Internal Audit Services, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the college's financial systems. On a quarterly basis, the RO reports to the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

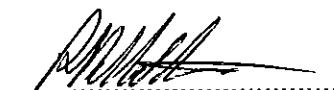
Review of effectiveness

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

- the work of the responsible officer;
- the work of the external statutory auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the college 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 his review of the system of internal control by the responsible officer and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11/12/14. and signed on its behalf by:



P K Hatchman
Chair of trustees



M D Thompson
Accounting officer

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2014

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

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.

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

Approved on ..11./12/14... and signed by:


.....
M D Thompson
Accounting officer

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees (who also act as governors for St Ambrose College Edmund Rice Academy Trust and are also the directors of St Ambrose College Edmund Rice Academy Trust 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:

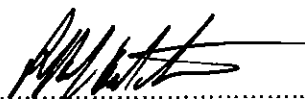
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

Approved by order of the board of trustees on ...11/12/14... and signed on its behalf by:



P K Hatchman
Chair of trustees

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2014

We have audited the accounts of St Ambrose College Edmund Rice Academy Trust for the year ended 31 August 2014 which comprise income and expenditure account and statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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 St Ambrose College Edmund Rice Academy Trust 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' Annual 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

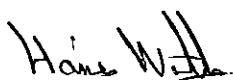
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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 (Senior Statutory Auditor)

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Ambrose College Edmund Rice Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Ambrose College Edmund Rice Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Ambrose College Edmund Rice Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 2014. 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 2013 to 31 August 2014 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 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)


FOR THE YEAR ENDED 31 AUGUST 2014

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.

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Haines Watts

Dated: 

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset fund £(000)	Total 2014 £(000)	Total 2013 £(000)
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	-	-	-	-	1,293
- Activities for generating funds	3	558	-	-	558	502
- Investment income	4	12	-	-	12	13
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	4,387	17	4,404	4,355
Total incoming resources		570	4,387	17	4,974	6,163
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	27	-	-	27	-
<i>Charitable activities</i>						
- Educational operations	7	21	5,110	1,173	6,304	5,938
Governance costs	8	-	50	-	50	175
Total resources expended	6	48	5,160	1,173	6,381	6,113
Net incoming/(outgoing) resources before transfers		522	(773)	(1,156)	(1,407)	50
Gross transfers between funds		(801)	759	42	-	249
Net income/(expenditure) for the year		(279)	(14)	(1,114)	(1,407)	299
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(93)	-	(93)	35
Net movement in funds		(279)	(107)	(1,114)	(1,500)	334
Fund balances at 1 September 2013		1,408	(313)	28,718	29,813	29,479
Fund balances at 31 August 2014		1,129	(420)	27,604	28,313	29,813

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

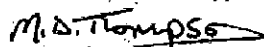
ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £(000)	2013 £(000)
Fixed assets			
Tangible assets	11	27,604	28,701
Current assets			
Debtors	12	140	75
Cash at bank and in hand		1,293	1,613
		<u>1,433</u>	<u>1,688</u>
Creditors: amounts falling due within one year	13	(304)	(263)
Net current assets		<u>1,129</u>	<u>1,425</u>
Total assets less current liabilities		<u>28,733</u>	<u>30,126</u>
Net assets excluding pension liability			
Defined benefit pension liability	17	(420)	(313)
Net assets		<u>28,313</u>	<u>29,813</u>
Funds of the academy trust:			
Restricted income funds	15		
- Fixed asset funds		27,604	28,717
- Pension reserve		(420)	(313)
Total restricted funds		<u>27,184</u>	<u>28,404</u>
Unrestricted funds	15	<u>1,129</u>	<u>1,409</u>
Total funds		<u>28,313</u>	<u>29,813</u>

The accounts were approved by order of the board of trustees and authorised for issue on 11.11.2014



M D Thompson
Accounting officer

Company Number 07827963

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £(000)	2013 £(000)
Net cash inflow/(outflow) from operating activities	19	(273)	(243)
Returns on investments and servicing of finance			
Investment income	12		13
Net cash inflow/(outflow) from returns on investments and servicing of finance		12	13
		(261)	(230)
Capital expenditure and financial investments			
Capital grants received	17		63
Payments to acquire tangible fixed assets	(76)		(88)
Net cash flow from capital activities		(59)	(25)
Increase/(decrease) in cash	20	(320)	(255)

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Sponsorship income

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 is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.4 Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% straight line
Plant & machinery	10% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.6 Leasing and hire purchase commitments

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.7 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.

1.8 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 quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

1.9 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, the Department for Education or other funders 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 the Department for Education.

2 Voluntary income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Other donations	-	-	-	1,293

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

3 Activities for generating funds

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Catering income	296	-	296	264
Other income	262	-	262	238
	<u>558</u>	<u>-</u>	<u>558</u>	<u>502</u>

4 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Short term deposits	12	-	12	13
	<u>12</u>	<u>-</u>	<u>12</u>	<u>13</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
DfE / EFA grants				
General annual grant (GAG)	-	4,365	4,365	4,274
Capital grants	-	17	17	63
Other DfE / EFA grants	-	13	13	18
	<u>-</u>	<u>4,395</u>	<u>4,395</u>	<u>4,355</u>
Other government grants				
Local authority grants	-	9	9	-
	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Total funding	<u>-</u>	<u>4,404</u>	<u>4,404</u>	<u>4,355</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2014 £(000)	Total 2013 £(000)
Academy's educational operations					
- Direct costs	2,955	-	560	3,515	4,272
- Allocated support costs	392	1,360	1,037	2,789	1,666
	<u>3,347</u>	<u>1,360</u>	<u>1,597</u>	<u>6,304</u>	<u>5,938</u>
Other expenditure					
Costs of generating voluntary income	-	-	27	27	-
Governance costs	-	-	50	50	175
	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>	<u>175</u>
Total expenditure	<u>3,347</u>	<u>1,360</u>	<u>1,674</u>	<u>6,381</u>	<u>6,113</u>

Incoming/outgoing resources for the year include:

	2014 £(000)	2013 £(000)
Operating leases		
- Plant and machinery	32	17
Fees payable to auditor		
- Audit	9	10
- Other services	1	19
	<u></u>	<u></u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Direct costs				
Teaching and educational support staff costs	-	2,955	2,955	2,758
Depreciation	-	-	-	1,062
Educational supplies and services	21	403	424	175
Examination fees	-	90	90	95
Other direct costs	-	46	46	182
	<u>21</u>	<u>3,494</u>	<u>3,515</u>	<u>4,272</u>
Allocated support costs				
Support staff costs	-	372	372	566
Depreciation	-	1,173	1,173	149
Technology costs	-	126	126	82
Recruitment and support	-	18	18	-
Maintenance of premises and equipment	-	187	187	147
Cleaning	-	152	152	135
Energy costs	-	195	195	198
Rent and rates	-	196	196	89
Insurance	-	43	43	34
Security and transport	-	54	54	52
Catering	-	174	174	162
Additional pension costs	-	14	14	17
Other support costs	-	85	85	35
	<u>-</u>	<u>2,789</u>	<u>2,789</u>	<u>1,666</u>
Total costs	<u>21</u>	<u>6,283</u>	<u>6,304</u>	<u>5,938</u>

8 Governance costs

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2014 £(000)	Total 2013 £(000)
Legal and professional fees	-	39	39	157
Auditor's remuneration	-	-	-	-
- Audit of financial statements	-	9	9	10
Support staff costs	-	1	1	-
Trustees' reimbursed expenses	-	1	1	8
	<u>-</u>	<u>50</u>	<u>50</u>	<u>175</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

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

	2014 Number	2013 Number
Teachers	51	51
Administration and support	36	36
Management	7	7
	<u>94</u>	<u>94</u>

Costs included within the accounts:	2014 £(000)	2013 £(000)
Wages and salaries	2,628	3,038
Social security costs	208	201
Other pension costs	370	355
	<u>3,206</u>	<u>3,594</u>
Staff development and other staff costs	141	(270)
	<u>3,347</u>	<u>3,324</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	1	1
£100,000 - £110,000	1	1
	<u>2</u>	<u>2</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	1	1
	£(000)	15	14
		<u>16</u>	<u>15</u>
Local Government Pension Scheme	Numbers	1	1
	£(000)	11	10
		<u>12</u>	<u>11</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

10 Trustees' remuneration and expenses

The head master and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of 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 totalling £4,200 (2013: £8,302) were reimbursed to 6 trustees (2013: 6 trustees).

The value of trustees' remuneration was as follows:

M Thompson (principal and trustee)	£110,000 - £115,000	(2013: £110,000 - £115,000)
S Parkinson (staff trustee)	£70,000 - £75,000	(2013: £70,000 - £75,000)
T Hutchinson (staff trustee)	£65,000 - £70,000	(2013: £60,000 - £65,000)
J Stenhouse (staff trustee)	£35,000 - £40,000	(2013: £nil)
S Alford (staff trustee)	£5,000 - £10,000	(2013: £nil)

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

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. The cost of the policy cannot be split as it is part of a combined insurance policy.

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

11 Tangible fixed assets

	Land and buildings	Plant & machinery	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Cost						
At 1 September 2013	27,535	6	1,408	1,042	35	30,026
Additions	43	-	-	33	-	76
At 31 August 2014	27,578	6	1,408	1,075	35	30,102
Depreciation						
At 1 September 2013	526	2	472	313	12	1,325
Charge for the year	506	1	469	191	6	1,173
At 31 August 2014	1,032	3	941	504	18	2,498
Net book value						
At 31 August 2014	26,546	3	467	571	17	27,604
At 31 August 2013	27,009	4	936	729	23	28,701

Buildings to the value of £27,520,000 are included in fixed assets at depreciated replacement cost following a professional valuation on 30 October 2012 by FHP. The total land value included is £2,492,500 and is not depreciated.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

12 Debtors	2014 £(000)	2013 £(000)
Trade debtors	1	-
VAT recoverable	51	55
Other debtors	2	-
Prepayments and accrued income	86	20
	<u>140</u>	<u>75</u>
13 Creditors: amounts falling due within one year	2014 £(000)	2013 £(000)
Trade creditors	14	152
Other creditors	1	12
Accruals	21	40
Deferred income	268	59
	<u>304</u>	<u>263</u>
14 Deferred income	2014 £(000)	2013 £(000)
Deferred income is included within:		
Creditors due within one year	<u>268</u>	<u>59</u>
Total deferred income at 1 September 2013	59	69
Amounts credited to the statement of financial activities	268	59
Amounts deferred in the year	<u>(59)</u>	<u>(69)</u>
Total deferred income at 31 August 2014	<u>268</u>	<u>59</u>

At the balance sheet date the academy was holding funds received in advance of trips booked for the academic year 2014/15.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15 Funds

	Balance at 1 September 2013 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2014 £(000)
Restricted general funds					
General Annual Grant	-	4,365	(5,146)	781	-
Other DfE / EFA grants	-	13	-	(13)	-
Other government grants	-	9	-	(9)	-
	<u>-</u>	<u>4,387</u>	<u>(5,146)</u>	<u>759</u>	<u>-</u>
Funds excluding pensions	-	4,387	(5,146)	759	-
Pension reserve	(313)	-	(14)	(93)	(420)
	<u>(313)</u>	<u>4,387</u>	<u>(5,160)</u>	<u>666</u>	<u>(420)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	17	-	(17)	-
Inherited fixed asset fund	28,718	-	(1,173)	59	27,604
	<u>28,718</u>	<u>17</u>	<u>(1,173)</u>	<u>42</u>	<u>27,604</u>
Total restricted funds	<u>28,405</u>	<u>4,404</u>	<u>(6,333)</u>	<u>708</u>	<u>27,184</u>
Unrestricted funds					
General funds	1,408	570	(48)	(801)	1,129
	<u>1,408</u>	<u>570</u>	<u>(48)</u>	<u>(801)</u>	<u>1,129</u>
Total funds	<u>29,813</u>	<u>4,974</u>	<u>(6,381)</u>	<u>(93)</u>	<u>28,313</u>

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

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

Unrestricted funds are those which the board of trustees may use in 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 not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

16 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	27,604	27,604
Current assets	1,129	304	-	1,433
Creditors: amounts falling due within one year	-	(304)	-	(304)
Creditors: amounts falling due after one year	-	(248)	-	(248)
Defined benefit pension liability	-	(172)	-	(172)
	<u>1,129</u>	<u>(420)</u>	<u>27,604</u>	<u>28,313</u>

17 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 2004 and of the LGPS 31 August 2014.

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

Teachers' Pension Scheme

Introduction

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

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website: (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme changes

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

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

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

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

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 6-18% per cent for employers and 17.6% per cent for employees. The estimated value of employer contributions for the forthcoming year is £75,000.

	2014 £(000)	2013 £(000)
Employer's contributions	73	68
Employees' contributions	25	24
	<hr/>	<hr/>
Total contributions	98	92
	<hr/>	<hr/>

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.8	4.6
Rate of increase for pensions in payment	2.7	2.8
Discount rate for scheme liabilities	3.7	4.6
Expected return on assets	5.5	5.9
	<hr/>	<hr/>

Sensitivity analysis

Changes in assumptions at 31 August 2014:	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12	50
1 year increase in member life expectancy	3	13
0.5% increase in the Salary Increase Rate	5	22
0.5% increase in the Pension Increase Rate	6	27

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

	2014 Years	2013 Years
Retiring today		
- Males	21.4	20.1
- Females	24.0	22.9
Retiring in 20 years		
- Males	24.0	22.5
- Females	26.0	25.0

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

	2014 Expected return %	2014 Fair value £(000)	2013 Expected return %	2013 Fair value £(000)
Equities	6.3	540	6.6	462
Bonds	3.2	137	3.9	116
Property	4.5	46	4.7	39
Other assets	3.3	38	3.6	26
Total market value of assets		761		643
Present value of scheme liabilities - funded		(933)		(958)
Net pension asset / (liability)		(172)		(315)

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

Operating costs and income recognised in the statement of financial activities

	2014 £(000)	2013 £(000)
Financial expenditure/(Income)		
Expected return on pension scheme assets	(41)	(25)
Interest on pension liabilities	35	42
	<u>(6)</u>	<u>17</u>
Other expenditure/(Income)		
Current service cost	93	85
Past service cost	-	-
	<u>93</u>	<u>85</u>
Total operating charge/(income)	<u>87</u>	<u>102</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £(000)	2013 £(000)
Actuarial (gains)/losses on assets: actual return less expected	20	(56)
Experience (gains)/losses on liabilities	73	21
(Gains)/losses arising from changes in assumptions	-	-
	<u>93</u>	<u>(35)</u>
Total (gains)/losses	<u>93</u>	<u>(35)</u>
 Cumulative (gains)/losses to date	 <u>93</u>	 <u>-</u>

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

	2014 £(000)	2013 £(000)
Opening defined benefit obligations	(708)	(803)
Current service cost	(93)	(85)
Interest cost	(35)	(25)
Contributions by employees	(25)	(24)
Actuarial gains/(losses)	(73)	(21)
Benefits paid	1	-
	<u>(933)</u>	<u>(958)</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

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

	2014 £(000)	2013 £(000)
Opening fair value of scheme assets	643	472
Expected return on assets	41	25
Actuarial gains/(losses)	(20)	-
Contributions by employers	73	68
Contributions by employees	25	24
Benefits paid	(1)	56
	<u>761</u>	<u>645</u>

History of experience gains and losses:

	2014 £(000)	2013 £(000)
Present value of defined benefit obligations	(933)	(958)
Fair value of share of scheme assets	<u>761</u>	<u>645</u>
Surplus / (deficit)	<u>(172)</u>	<u>(313)</u>
Experience adjustment on scheme liabilities	(73)	(21)
Experience adjustment on scheme assets	<u>(20)</u>	<u>-</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £(000)	2013 £(000)
Net income	(1,407)	68
Capital grants and similar income	(17)	(63)
Investment income	(12)	(13)
FRS17 pension costs less contributions payable	14	17
Depreciation of tangible fixed assets	1,173	1,211
Donated assets	-	(1,213)
(Increase)/decrease in debtors	(65)	(14)
Increase/(decrease) in creditors	<u>41</u>	<u>(236)</u>
Net cash inflow/(outflow) from operating activities	<u>(273)</u>	<u>(243)</u>

ST AMBROSE COLLEGE EDMUND RICE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19	Reconciliation of net cash flow to movement in net funds	2014	2013
		£(000)	£(000)
	Increase/(decrease) in cash	(320)	1,613
	Net funds at 1 September 2013	1,613	(1,868)
		<hr/>	<hr/>
	Net funds at 31 August 2014	1,293	(255)
		<hr/>	<hr/>

20	Analysis of net funds	At 1	Cash flows	Non-cash	At 31 August
		September		changes	2014
		2013			
		£(000)	£(000)	£(000)	£(000)
	Cash at bank and in hand	1,613	(320)	-	1,293
		<hr/>	<hr/>	<hr/>	<hr/>

21 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£(000)	£(000)
Expiry date:		
- Between two and five years	32	22
	<hr/>	<hr/>

22 Related parties

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.

During the year the academy trust made a donation of £100 to the Society for the Protection of Unborn Children. R M Haig is a director of both the Society for the Protection of Unborn Children and St Ambrose College Edmund Rice Academy Trust.

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.