

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the academy, its governors and advisers</b>	1 - 2
<b>Governors' report</b>	3 - 9
<b>Governance statement</b>	10 - 12
<b>Statement on regularity, propriety and compliance</b>	13
<b>Governors' responsibilities statement</b>	14
<b>Independent auditor's report on the financial statements</b>	15 - 16
<b>Independent auditor's report on regularity</b>	17
<b>Statement of financial activities incorporating income and expenditure account</b>	18
<b>Balance sheet</b>	19
<b>Cash flow statement</b>	20
<b>Notes to the financial statements</b>	21 - 44

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**Governors (Trustees)**

B J Cummings, Chairman  
J S Brown, Vice Chairman and Responsible Officer  
Cllr. G Davies, Governor  
K Diaz, Staff Governor  
R S Duggan, Headmaster and Accounting Officer  
J Greaves, Governor  
P Green, Governor  
W Iveson, Governor  
R Jones, Governor  
M Martin, Governor  
A J Nelson, Governor  
Dr J Oates, Governor  
Rev. Br. N G O'Halloran, Governor  
P Ravenscroft, Staff Governor (resigned 31 December 2011)  
J Rawsthorne, Staff Governor (appointed 1 January 2012)  
M Redfearn, Governor  
A R Wood, Governor  
P Wyness, Governor  
P Young, Associate Governor  
T Holsgrove, Governor (resigned 1 September 2011)

**Company registered number**

07638417

**Registered office**

St Anselm's College, Manor Hill, Birkenhead, Merseyside, CH43 1UQ

**Company Secretary**

B P Morgan

**Chief executive officer**

R S Duggan

**Senior Management Team**

RS Duggan, Headmaster  
N Howlett, Deputy Head Teacher (Pastoral)  
A Rumsby, Deputy Head Teacher (Curriculum)  
M Hollifield, Assistant Head Teacher  
B Dowse, Assistant Head Teacher  
L Baines, Assistant Head Teacher  
BP Morgan, Director of Finance

**Independent Auditor**

PKF (UK) LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**FOR THE PERIOD ENDED 31 AUGUST 2012**

**Advisers (continued)**

**Bankers**

Lloyds TSB, 355 Woodchurch Road, Prenton, Birkenhead, Wirral, CH42 8PE

**Solicitors**

Howarth & Gallagher, 39 Hamilton Square, Birkenhead, Merseyside, CH41 5BP

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

The Governors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2012.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no. 7638417) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors act as the Trustees for the charitable activities of St Anselm's College Edmund Rice Academy Trust and are also Directors of the charitable company for the purposes of company law. The charitable company is known as St Anselm's College. Details of the governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

St Anselm's College Edmund Rice Academy Trust was incorporated on 18th May 2011 and obtained Academy status from 1st June 2011. The financial statements have therefore been prepared for the period of 18th May 2011 to 31st August 2012.

**b. Members' Liability**

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

**c. Governors' indemnities**

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the governors.

**d. Principal activities**

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**e. Method of recruitment and appointment or election of Governors**

The first member of the Academy Trust shall be the Congregation which shall subscribe to the Memorandum. Subsequent members of the academy Trust shall be;

1. Up to three members appointed by the Congregation; and
2. The Chairman of the Governors; and
3. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose.

The number of Governors shall not be less than 3 but shall not be subject to any maximum. Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

- up to 12 Governors;
- up to 4 parent Governors;
- up to 2 Elected Staff Governors, comprised of up to 1 support staff and up to 1 teacher elected under articles 58A and 58B;
- up to 1 LA Governor if appointed;
- the Headmaster.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Headmaster. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**f. Policies and procedures adopted for the induction and training of Governors**

During the period under review the Board of Governors held 4 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

**g. Organisational structure**

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

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

The Senior Leadership Team are the Headmaster, Deputy Headteachers, Assistant Headteachers and the Director of Finance. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will include Governor representation. Some spending control is devolved to Heads of Departments and other budget holders with limits above which the Director of Finance must countersign.

**h. Risk management**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in 'The Purpose of the System of Internal Control' on page 11.

**i. Connected organisations, including related party relationships**

The Edmund Rice Trust is a voluntary organisation which has been set up to fund large building projects for the benefit of the College. It relies on voluntary donations from beneficiaries, ex pupils and staff. The current project it has undertaken is the purchase of Outwood House from the Christian Brothers which is currently being converted into a 6th form centre for use by the College. It is anticipated that the first phase will be completed in February 2013.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**Objectives and Activities**

**a. Objects and aims**

St. Anselm's College is a Roman Catholic Grammar School for boys aged 11-18 which provides secondary education for Catholic, Christian boys in Wirral in the tradition of the Christian Brothers. We enjoy a rich cultural heritage as members of the global Edmund Rice family, guided by the Essentials of an Edmund Rice education.

The principal object of the Academy is specifically restricted to the following; to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum being St. Anselm's College. We seek to provide outstanding Catholic secondary education in Wirral in order to nurture future generations of Roman Catholic, Christian, leaders who will faithfully represent our timeless values in society. The education provided will be free and available to all boys living within our catchment area.

**b. Objectives, strategies and activities**

The main objectives of the Academy during the period ended 31 August 2012 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 the world of HE, training and employment;
- to provide an appropriate Catholic, Christian education and outstanding opportunities for the spiritual growth of all students;
- to begin the refurbishment of "Outwood House" as our new 6th Form Centre to be on schedule for use in teaching & learning from February 2013;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

St. Anselm's College values diversity and seeks to give everyone at the College an equal opportunity to learn, work and live, free from the threat, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and spiritually and to establish a community that is just and fair for all people who work and learn here or visit us, in accordance with the teachings of the Roman Catholic Church.

We want our students to be happy and healthy, enthused by the intellectual, social and physical challenges posed by their education at school. They will be encouraged to develop into independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, dedication and professional expertise teachers will enthuse and inspire others to explore new ideas.

Parents will fulfill their roles as true partners, recognizing their role in the student -College-parent partnership to ensure that their child realizes his/her potential.

Governors will contribute to the life of the College on a wider scale, acting as critical friends to support us to become a nationally-recognised centre of excellence and support the continued development of the site and teaching and learning facilities.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability.

**c. Public benefit**

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

**Achievements and performance**

**a. Review of activities**

The Academy is in its first period of operation and continues to achieve the forecast numbers of students. Total students in the period ended 31st August 2012 numbered 858 and the Academy has a full complement in all year groups. The current roll of 890 is the highest ever.

In summer 2012 the academy achieved very good results in public examinations at both A level and GCSE. 45% of all GCE entries were graded at A\*-B, with a 97% pass rate. There were also outstanding BTEC results. This was in line with targets and expectations.

Students' achievement at GCSE is outstanding. Students make outstanding progress from Key Stage 2-4 attaining standards that are high by the end of KS4, both in raw and value-added terms and above average at Key Stage 5. The College exceeds its challenging targets and high standards are consistently achieved on an annual basis. The percentage of students gaining 5 or more grades at C and above is close to 100% and on average 95%+ achieve 5 A\*-C grades, including English & Maths, and more than 40% achieve 5+ A\*/A grades annually.

High standards are maintained on an ongoing basis. Record GCSE results were achieved in summer 2011 with 98% of students securing 5+ A\*-C grades, including English & maths, 99% overall, placing us in the top 10% of schools nationally for achievement AND value added since Key stage 2. In 2012 98% achieved 5+ A\*-C grades, 94% with both English & Maths. 44% of students gained 5+ A\*/A grades, with an average points score of 522, both College records. 2 students achieved 12 A\* grades and 6 10+ A\*, which is unprecedented.

The College exceeds its FFTD targets and all groups of students achieve well with no major differences between different ethnic groups. The College continues to address the attainment gap between those pupils eligible for FSM and those not. Achievement in the 6th form is good as the 6th form is fully inclusive in relation to access to students' A level study for those who achieve 5 GCSEs at C or above, with 3 Bs, which includes almost all Year 11 students. The College has recognised that the percentage of students achieving A\*/A at A2 level could be higher. Standards in Key Stage 4 in areas that have been underachieving are on an upward trend e.g. art and design, design & technology, geography and modern foreign languages. Measures are in place to improve achievement in A level (GCE) psychology and business studies and in all 3 sciences at AS level.

To ensure that standards are continually improved the Academy operates a programme of internal reviews of curriculum areas and has an external quality assurance review as part of its membership of Wirral LA's EQ scheme, employing a School Improvement Adviser. The Academy was inspected by Ofsted in February 2008, gaining 'outstanding' in 37/38 inspection areas and received an 'outstanding' Diocesan Inspection report in May 2010. The College is a partner in a Wirral RC Schools consortium that has been awarded a NPQH teaching licence. This will provide CPD and INSET opportunities for staff and access to the best practice of other high performing secondary schools.



**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**b. Going concern**

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

**c. Key financial performance indicators**

The Academy held fund balances at 31 August 2012 of (£610,145) comprising (£616,240) of restricted funds and £6,095 of unrestricted general funds. Of the restricted funds, £105,294 is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £392,000 in deficit and the Christian Brothers provision of £672,000 was also included as part of restricted funds.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In period under review, £ 334,309 was carried forward representing 5.94% of GAG. As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers as at August 2012 were 858, an increase of 1 over 2011. It is anticipated that this number will continue to rise during the current financial year.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2012 this was 77.06%, this can not be compared to previous years as the College was not previously in receipt of GAG.

The finance governors review the financial performance of the monthly accounts against the forecast budget at each committee meeting.

It is the Governors' current aim to maintain an in year balanced budget to secure the longer term future financial future of the College. This was achieved during this period and it is anticipated that this will continue into the current financial year.

**Financial review**

**a. Review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 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 EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2012, total expenditure of £5,721,700 was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £621,658.

At 31 August 2012 the net book value of fixed assets was £281,741. Movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

The Academy's share of the Merseyside Pension Fund, in which the Academy participates, showed a deficit of £392,000 at 31 August 2012. Of this sum, £336,400 was inherited by St Anselm's from Wirral Local Authority on the date of conversion, the date the local authority's staff transferred to employment with the Academy. The Christian Brothers provision of £672,000 was included in restricted funds transferred. Other tangible fixed assets and the school fund transferred on conversion amounted to £58,705.

The statement of financial activities includes the assets and liabilities from the predecessor school, details of these can be found in note 25.

**b. Financial and risk management objectives and policies**

The college has drawn up and approved a substantial Risk Register which is reviewed on a regular basis by the Governing Body. Any ongoing risks are monitored and new risks that arise are added to the register on an ongoing basis. There is a formal annual review of the register in June.

**c. Principal risks and uncertainties**

The principal goal for the Academy is to safeguard its long-term ability to continue to deliver an outstanding education to its students and to grow, maintain and renew its physical facilities appropriately within space constraints.

One of the academy's main uncertainties is the impact of Government funding changes and the current uncertain economic climate and financial environment.

**d. Reserves policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure, approximately £200,000.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £6,095 (total funds less the amount held in fixed assets and restricted funds) is much less than is needed. The Academy intends to make every effort to build up free reserves to the level needed and this should be achieved once the Christian Brothers Pension liability has been lifted by the Pension Trustees.

There is a pension fund deficit within restricted funds of £392,000 arising from the transfer of the pension liability of £336,400 from the Local Authority on conversion to an Academy, impacted by movements in the year. This has contributed to an overall deficit on restricted funds of £616,240. This does not mean that an immediate liability for this amount crystallises. The deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions over a period of years. Past service contributions in respect of staff transferred from the Council to the academy have been agreed as annual cash payments over 25 years.

The deficit of £616,240 also includes the Christian Brother Pension deficit. The Congregation of the Christian Brothers will clear the deficit in the Christian Brothers Pension Fund once the Academy Trust have agreed and signed the 125 year lease over the College premises. It is anticipated that this will be completed during the new financial year.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**e. Investment policy**

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

**Plans for the future**

**a. Future developments**

The Academy will continue to strive to improve the attainment of its students at all levels and will continue its efforts to ensure they progress to higher education or further training and employment at age 18. The Academy has a clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The College also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The Improvement Plan has all the correct areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the headteacher and the senior leadership team. It is regularly monitored and amended annually by the SLT and governors. It is underpinned by appropriate budget links.

School improvement strategies are highly effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, outstanding CPD, including coaching and thorough analysis of examination results, such as Maths, religious Studies and ICT GCSE. The College makes good provision for personalised learning, support and intervention programmes for individual students and the quality of provision for inclusion is outstanding due to personalised programmes aimed at raising achievement, delivered in small groups by Learning Mentors.


The drive for excellence is evident in many aspects of College life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is outstanding in the way that all staff work to share best practice within and schools and fulfil the College's moral imperative to improve the quality of learning in this community, paying heed to local, national and international developments.

**Provision of information to auditors**

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

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

This report was approved by order of the members of the Governing Body on 19 December 2012 and signed on its behalf by:

  
**Brian Cummings**  
Chairman

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that St Anselm's 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 governing body has delegated the day-to-day responsibility to the Headmaster, 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 St Anselm's College Edmund Rice Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the governors' responsibilities statement. The governing body has formally met 4 times during the period. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
B J Cummings, Chairman	4	4
J S Brown, Vice Chairman and Responsible Officer	4	4
Cllr. G Davies, Governor	1	4
K Diaz , Staff Governor	4	4
R S Duggan, Headmaster and Accounting Officer	4	4
J Greaves, Governor	2	4
P Green, Governor	1	4
W Iveson, Governor	4	4
R Jones, Governor	3	4
M Martin, Governor	1	4
A J Nelson, Governor	1	4
Dr J Oates, Governor	3	4
Rev. Br. N G O'Halloran, Governor	4	4
P Ravenscroft, Staff Governor (resigned 31 December 2011)	1	2
J Rawsthorne, Staff Governor (appointed 1 January 2012)	-	2
M Redfearn, Governor	4	4
A R Wood, Governor	2	4
P Wyness, Governor	3	4
P Young, Associate Governor	2	4
T Holsgrove, Governor (resigned 1 September 2011)	-	1

There have been no significant changes to the composition of the Governing body since the College converted to Academy status.

The **Finance and General Purposes Committee** monitors the financial management of the College. It ensures that budgets are set correctly to reflect the level of income and expenditure of the College. It also looks at the financial procedures of the College to ensure funds are spent in line with its Financial Procedures and the Academy Financial Handbook. The committee usually meets twice per term and budget forecast and monitoring documents are provided prior to the meeting for the Governors to discuss and agree. In addition the committee is responsible for the premises management and capital builds within the College.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
B J Cummings (Associate)	4	6
J S Brown, Chair and Responsible Officer	6	6
R S Duggan, Principal and Accounting Officer	5	6
J Greaves	6	6
W Iveson	6	6
R Jones	3	4
A J Nelson	2	6
M Redfearn	5	6

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Anselm's College Edmund Rice Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The governing body 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 governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**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 governing body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has appointed PKF to report to J S Brown, a Governor, who is the internal Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

During the year the RO produced two draft reports which were presented to the Governors.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

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

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

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

Approved by order of the members of the governing body on 19 December 2012 and signed on its behalf, by:

  
**Brian Cummings**  
Chairman

  
**Richard S Duggan**  
Accounting Officer

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of St Anselm's College Edmund Rice Academy Trust I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust governing body 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.



**Richard S Duggan**  
Accounting Officer

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNORS' RESPONSIBILITIES STATEMENT**

The governors (who act as trustees for charitable activities of the academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the governors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2011/12 issued by the Education Funding Agency ("the EFA").

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

In preparing those financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

The governors are responsible for the maintenance and integrity of the financial information included on the academy's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.



**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

We have audited the financial statements of St Anselm's College Edmund Rice Academy Trust ("the academy") for the period ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2011/12 issued by the Education Funding Agency ("the EFA").

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditor**

As explained more fully in the governors' responsibilities statement, the governors (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Accounts Direction 2011/12 issued by the EFA; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion:

- the information given in the governors' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements;

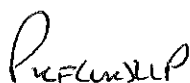
**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Accounts Direction 2011/12 issued by the EFA requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept in respect of the academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.



**Mark Sykes** (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor  
Liverpool, UK

24 December 2012.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 27 September 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Anselm's College Edmund Rice Academy Trust during the period 1 June 2011 to 31 August 2012 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 Anselm's 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 St Anselm's 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 St Anselm's 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 Anselm's College Edmund Rice Academy Trust's accounting officer  
and the reporting accountant**

The accounting officer is responsible, under the requirements of St Anselm's College Edmund Rice Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. 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 June 2011 to 31 August 2012 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 2011/12 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.

**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 June 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
PKF (UK) LLP  
Liverpool, UK

24 December 2012

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted general funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Other voluntary income	3	-	37,500	-	37,500
Activities for generating funds	4	6,095	-	-	6,095
Incoming resources from charitable activities:					
Funding for the academy's educational operations	5	-	6,058,434	30,481	6,088,915
<b>TOTAL INCOMING RESOURCES</b>		<b>6,095</b>	<b>6,095,934</b>	<b>30,481</b>	<b>6,132,510</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities:					
Academy's educational operations	11	-	5,707,946	30,260	5,738,206
Governance costs	6	-	13,754	-	13,754
Other resources expended - transfer from Local Authority on conversion	7	-	1,001,987	(52,292)	949,695
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>-</b>	<b>6,723,687</b>	<b>(22,032)</b>	<b>6,701,655</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>6,095</b>	<b>(627,753)</b>	<b>52,513</b>	<b>(569,145)</b>
Gross transfers between Funds	21	-	(52,781)	52,781	-
<b>NET EXPENDITURE FOR THE PERIOD</b>		<b>6,095</b>	<b>(680,534)</b>	<b>105,294</b>	<b>(569,145)</b>
Actuarial gains and losses on defined benefit pension schemes	21, 26	-	(41,000)	-	(41,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>6,095</b>	<b>(721,534)</b>	<b>105,294</b>	<b>(610,145)</b>
Total funds at 18 May 2011		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2012</b>		<b>6,095</b>	<b>(721,534)</b>	<b>105,294</b>	<b>(610,145)</b>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes on pages 21 to 44 form part of these financial statements.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07638417**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2012**

	Note	£	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	17		281,741
<b>CURRENT ASSETS</b>			
Debtors	18	147,111	
Cash at bank and in hand		698,578	
		<u>845,689</u>	
<b>CREDITORS:</b> Amounts falling due within one year	19	<u>(673,575)</u>	
<b>NET CURRENT ASSETS</b>			<u>172,114</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>453,855</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	20		<u>(672,000)</u>
<b>NET LIABILITIES EXCLUDING PENSION LIABILITY</b>			<u>(218,145)</u>
Pension scheme liability	27		<u>(392,000)</u>
<b>NET LIABILITIES INCLUDING PENSION LIABILITY</b>			<u><u>(610,145)</u></u>
<b>FUNDS OF THE ACADEMY:</b>			
Restricted income funds:			
General funds	21	(329,534)	
Fixed asset funds	21	105,294	
		<u>(224,240)</u>	
Restricted funds excluding pension liability		(392,000)	
Pension reserve		<u>(392,000)</u>	
Total restricted funds			(616,240)
Unrestricted income funds	21		<u>6,095</u>
<b>TOTAL DEFICIT</b>			<u><u>(610,145)</u></u>

The financial statements on pages 18 to 44 were approved by the governors, and authorised for issue, on 19 December 2012 and are signed on their behalf by:

  
**B J Cummings, Chairman**

The notes on pages 21 to 44 form part of these financial statements.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Note	Period ended 31 August 2012 £
Net cash inflow from operating activities	23	780,049
Capital expenditure and financial investment	24	(117,345)
Cash transferred on conversion to an academy trust	24	35,874
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>698,578</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

	Period ended 31 August 2012 £
Increase in cash in the period	698,578
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>698,578</b>
<b>NET FUNDS AT 31 AUGUST 2012</b>	<b>698,578</b>

The notes on pages 21 to 44 form part of these financial statements.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements 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 EFA 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 Company status**

The academy is a company limited by guarantee. The members of the company are the Congregation, Brother George Gordon, Brother Edward Coupe and the Chairman of the Governors. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Congregation, Brother George Gordon, Brother Edward Coupe and the Chairman of the Governors.

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

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

**1.4 Incoming resources**

All incoming resources are included in the statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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

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

Fixed assets transferred from the local authority have been included in the balance sheet at open market value, with a corresponding credit to voluntary income.

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

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**1. ACCOUNTING POLICIES (continued)**

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

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

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

Motor vehicles	-	10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line



**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**1. ACCOUNTING POLICIES (continued)**

**1.8 Operating leases**

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

**1.9 Taxation**

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

**1.10 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from St Anselm's College to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Assets and liabilities transferred to the Academy from the Local Authority on conversion included fixed assets of £52,292, the Local Government Pension Scheme deficit of £336,400 and the past service liabilities for some non-teaching staff in the Christian Brothers Employee Benefits Scheme which will be repaid in future years of £672,000.

Further details of the transaction are set out in note 26.

**1.12 Provisions**

A provision is recognised where the academy has a liability that is uncertain in timing or amount and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision will be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

**2. GENERAL ANNUAL GRANT (GAG)**

	2012 £
<b>Result and Carry Forward for the Year</b>	
GAG Allocation for current year	5,624,162
<b>Total GAG Available to spend</b>	<u>5,624,162</u>
Recurrent expenditure from GAG	(5,264,212)
Fixed assets purchased from GAG	(40,241)
Other transfers to GAG	<u>14,600</u>
<b>GAG Carried forward to next year</b>	<u>334,309</u>
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	<u>(674,899)</u>
<b>GAG to surrender to DfE</b>	<u>(340,590)</u>
(12% rule breached if result is positive)	<u>No breach</u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**3. VOLUNTARY INCOME**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Other Donations	-	37,500	37,500
	<u>          </u>	<u>          </u>	<u>          </u>

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Hire of facilities	6,095	-	6,095
	<u>          </u>	<u>          </u>	<u>          </u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Funding for the academy's educational operations	-	6,088,915	6,088,915
	<u>          </u>	<u>          </u>	<u>          </u>

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
<b>DfE/EFA revenue grants</b>			
General annual grant (GAG)	-	5,624,162	5,624,162
Other DfE/EFA grants	-	153,794	153,794
	<u>          </u>	<u>          </u>	<u>          </u>
	-	5,777,956	5,777,956
<b>Other government grants</b>			
Capital grants	-	30,481	30,481
	<u>          </u>	<u>          </u>	<u>          </u>
	-	30,481	30,481
<b>Other funding</b>			
Other income	-	18,632	18,632
School fund income	-	261,846	261,846
	<u>          </u>	<u>          </u>	<u>          </u>
	-	280,478	280,478
	<u>          </u>	<u>          </u>	<u>          </u>
	-	6,088,915	6,088,915
	<u>          </u>	<u>          </u>	<u>          </u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**6. GOVERNANCE COSTS**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Auditor's remuneration - Responsible officer audit	-	1,000	1,000
Auditor's remuneration - audit of financial statements	-	8,400	8,400
Legal and professional fees	-	2,501	2,501
Governors' reimbursed expenses	-	1,853	1,853
	<u>-</u>	<u>13,754</u>	<u>13,754</u>

**7. OTHER RESOURCES EXPENDED**

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Other resources expended - transfer from Local Authority on conversion	-	949,695	949,695
	<u>-</u>	<u>949,695</u>	<u>949,695</u>

**8. DIRECT COSTS**

	Funding for the academy's educational operations £	Total 2012 £
Pension finance cost	9,240	9,240
Teaching and educational supplies	6,059	6,059
Education supplies	87,537	87,537
Examination fees	109,038	109,038
Staff development	13,432	13,432
Educational consultancy	16,571	16,571
School fund expenditure	268,259	268,259
Depreciation	4,025	4,025
Wages and salaries	3,251,046	3,251,046
National insurance	274,554	274,554
Pension cost	414,036	414,036
	<u>4,453,797</u>	<u>4,453,797</u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**9. SUPPORT COSTS**

	Funding for the academy's educational operations £	Total 2012 £
Pension finance cost	11,760	11,760
Depreciation	26,235	26,235
Maintenance of premises	292,528	292,528
Recruitment and support	27,546	27,546
Cleaning	93,504	93,504
Rent and rates	93,154	93,154
Security and transport	48,163	48,163
Insurance	57,159	57,159
Catering	52,052	52,052
Other support costs	97,696	97,696
Legal and professional fees	90,040	90,040
Wages and salaries	340,242	340,242
National insurance	24,441	24,441
Pension cost	29,889	29,889
	<u>1,284,409</u>	<u>1,284,409</u>

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

	Staff costs 2012 £	Other costs 2012 £	Total 2012 £
Funding for the academy's educational operations	4,334,208	1,403,998	5,738,206
Governance	-	13,754	13,754
Other resources expended	-	949,695	949,695
	<u>4,334,208</u>	<u>2,367,447</u>	<u>6,701,655</u>

**11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Funding for the academy's educational operations	4,453,797	1,284,409	5,738,206

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

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

This is stated after charging:

	Period ended 31 August 2012 £
Depreciation of tangible fixed assets:	
- owned by the charity	30,260
Auditors' remuneration	8,400
Auditors' remuneration - non-audit	3,501
Operating lease rentals:	
- plant and machinery	7,801
- other operating leases	49,366
	<hr/> <hr/>

During the period, no Governors received any remuneration or benefits in kind.

Operating lease rentals include a £37,500 notional rental charge in respect of the property which is being temporarily occupied by the school at no rent. A corresponding amount has been accounted for as a donation, gift in kind in the SOFA.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**13. STAFF COSTS**

Staff costs for the period from 18 May 2011 to 31 August 2012 were as follows:

	Period ended 31 August 2012 £
Wages and salaries	3,591,288
Social security costs	298,995
Other pension costs (Note 27)	443,925
	<hr/> 4,334,208 <hr/>

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

	Period ended 31 August 2012 No.
Teachers	49
Administration and support	30
Management	7
	<hr/> 86 <hr/>

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

	Period ended 31 August 2012 No.
In the band £60,001 - £70,000	2
In the band £100,001 - £200,000	1
	<hr/> 3 <hr/>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £18,983.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**14. GOVERNORS' REMUNERATION**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

	Period ended 31 August 2012 £
Principal	127,216
Other staff Governor	27,163
Other staff Governor	23,975
Other staff Governor	38,816

Remuneration received above is inclusive of salaries and overtime for the 15 month period ended 31 August 2012.

During the 15 month period ended 31 August 2012, travel and subsistence expenses totaling £64 were reimbursed to 1 governor.

**15. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1m aggregate in any one year and the cost for the period ended 31 August 2012 was £1,558.

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

**16. OTHER FINANCE INCOME**

	Period ended 31 August 2012 £
Expected return on pension scheme assets	5,000
Interest on pension scheme liabilities	(26,000)
	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 2px;"/> (21,000) <hr style="width: 100%; border: 0.5px solid black; margin-top: 2px;"/>



**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**17. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 18 May 2011	-	-	-	-	-
Transfer on conversion	-	3,300	7,552	41,440	52,292
Additions	201,044	-	27,066	31,599	259,709
At 31 August 2012	<u>201,044</u>	<u>3,300</u>	<u>34,618</u>	<u>73,039</u>	<u>312,001</u>
<b>Depreciation</b>					
At 18 May 2011	-	-	-	-	-
Charge for the period	-	413	4,611	25,236	30,260
At 31 August 2012	<u>-</u>	<u>413</u>	<u>4,611</u>	<u>25,236</u>	<u>30,260</u>
<b>Net book value</b>					
At 31 August 2012	<u>201,044</u>	<u>2,887</u>	<u>30,007</u>	<u>47,803</u>	<u>281,741</u>

**18. DEBTORS**

	<b>2012</b>
	<b>£</b>
Other debtors	7,253
Prepayments and accrued income	134,982
Tax recoverable	4,876
	<u>147,111</u>

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

	<b>2012</b>
	<b>£</b>
Trade creditors	75,875
Other creditors	28,244
Accruals and deferred income	569,456
	<u>673,575</u>
	<u>£</u>
<b>Deferred income</b>	
Resources deferred during the year	<u>453,398</u>

At 31 August 2012 deferred income of £422,013 was being carried forward in respect of capital grants received in advance for works on Outwood House and the science block. £31,385 was being carried forward in respect of the school fund.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**20. PROVISIONS**

	Pension liability £
At 18 May 2011	-
Additions	672,000
At 31 August 2012	<u>672,000</u>

**Pension liability**

The provision represents the estimated liability for the S75 debt based on the most recent valuation of the past service liabilities for some non-teaching staff in the Christian Brothers Employee Benefits Scheme which will be cleared in future years.

**21. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	-	6,095	-	-	-	6,095
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	5,624,162	(5,264,212)	(25,641)	-	334,309
Other DfE/ EFA grants	-	153,794	(133,097)	(12,540)	-	8,157
Other income	-	18,632	(18,632)	-	-	-
School fund	-	261,846	(261,846)	-	-	-
Other donations	-	37,500	(37,500)	-	-	-
Christian Brothers pension liability transferred	-	-	(672,000)	-	-	(672,000)
Pension reserve	-	-	(336,400)	(14,600)	(41,000)	(392,000)
	<u>-</u>	<u>6,095,934</u>	<u>(6,723,687)</u>	<u>(52,781)</u>	<u>(41,000)</u>	<u>(721,534)</u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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

**Restricted fixed asset funds**

Transfer from Local Authority on conversion	-	-	22,032	-	-	22,032
Capital grants	-	30,481	-	-	-	30,481
Capital expenditure from GAG	-	-	-	40,241	-	40,241
Capital expenditure from government grants	-	-	-	12,540	-	12,540
	-	30,481	22,032	52,781	-	105,294
Total restricted funds	-	6,126,415	(6,701,655)	-	(41,000)	(616,240)
Total of funds	-	6,132,510	(6,701,655)	-	(41,000)	(610,145)

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	6,095	-	-	-	6,095
Restricted funds	-	6,095,934	(6,723,687)	(52,781)	(41,000)	(721,534)
Restricted fixed asset funds	-	30,481	22,032	52,781	-	105,294
	-	6,132,510	(6,701,655)	-	(41,000)	(610,145)

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

**GAG (Restricted general funds)**

These are expended on the provision of education, including associated support functions, and on the Academy's related community activities.

**Restricted fixed assets funds**

These funds are carried forward to meet the specific costs of fixed assets projects and to cover future depreciation charges on these projects and on fixed assets currently held.

**Other unrestricted funds**

These are used in support of the Academy's educational and community activities.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

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

	Unrestricted funds 2012 £	Restricted general funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	281,741	281,741
Current assets	28,824	792,268	24,597	845,689
Creditors due within one year	(22,729)	(449,802)	(201,044)	(673,575)
Provisions for liabilities and charges	-	(1,064,000)	-	(1,064,000)
	<u>6,095</u>	<u>(721,534)</u>	<u>105,294</u>	<u>(610,145)</u>

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Period ended 31 August 2012 £
Net outgoing resources before revaluations	(569,145)
Cash transferred on conversion to an academy trust	(35,874)
Depreciation of tangible fixed assets	30,260
Capital grants from DfE and other capital income	(82,773)
Increase in debtors	(147,111)
Increase in creditors	1,233,692
FRS 17 pension other movements	600
FRS 17 pension cost introduced	336,400
FRS 17 pension finance income	21,000
FRS 17 pension cost less contributions payable (note 26)	(7,000)
<b>Net cash inflow from operations</b>	<u><u>780,049</u></u>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	Period ended 31 August 2012 £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(147,826)
Capital grants from DfE	30,481
<b>Net cash outflow capital expenditure</b>	<u><u>(117,345)</u></u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	Period ended 31 August 2012 £
<b>Conversion to an academy trust</b>	
Cash transferred on conversion to an academy trust	<u><u>35,874</u></u>

**25. ANALYSIS OF CHANGES IN NET DEBT**

	18 May 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand:	-	698,578	-	698,578
<b>Net funds</b>	<u>-</u>	<u>698,578</u>	<u>-</u>	<u>698,578</u>

**26. CONVERSION TO AN ACADEMY TRUST**

On 1 June 2011 St Anselm's College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Anselm's College Edmund Rice Academy Trust from Wirral Local Authority for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the statement of financial activities as other resources expended.

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Other tangible fixed assets	-	-	52,292	52,292
LGPS pension surplus/(deficit)	-	(336,400)	-	(336,400)
Pension deficit transferred from Christian Brothers	-	(672,000)	-	(672,000)
School fund transferred on conversion	-	6,413	-	6,413
<b>Net assets/(liabilities)</b>	<u>-</u>	<u>(1,001,987)</u>	<u>52,292</u>	<u>(949,695)</u>

The above net liabilities include £35,874 that were transferred as cash, reduced by deferred income of £29,461.

Leases transferred to the academy on conversion included operating leases in respect of cars and photocopiers.

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer. 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 was 31 March 2004 and of the LGPS 31 March 2010.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%,

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £119,936, of which employer's contributions totalled £87,780. The agreed contribution rate for future years are 12.5% for employers and 5.5-7.2% for employees, dependent on salary. Deficit repayments for 2013/14 will be £14,300.

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

Additional contributions are being made to repay the LGPS pension deficit in addition to normal funding levels. These payments are being made over a period of 25 years.

The amounts recognised in the balance sheet are as follows:

	<b>Period ended 31 August 2012 £</b>
Present value of funded obligations	<b>(505,000)</b>
Fair value of scheme assets	<b>113,000</b>
	<hr/>
Net liability	<b>(392,000)</b>
	<hr/>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

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

	Period ended 31 August 2012 £
Current service cost	(77,000)
Interest on obligation	(26,000)
Expected return on scheme assets	5,000
	<hr/>
Total	(98,000)
	<hr/>
Actual return on scheme assets	1,000
	<hr/>

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

	Period ended 31 August 2012 £
Current service cost	77,000
Interest cost	26,000
Contributions by scheme participants	28,000
Actuarial Losses	37,000
Liabilities assumed in a business combination	336,400
Other	600
	<hr/>
Closing defined benefit obligation	505,000
	<hr/>

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

	Period ended 31 August 2012 £
Expected return on assets	5,000
Actuarial gains and (losses)	(4,000)
Contributions by employer	84,000
Contributions by employees	28,000
	<hr/>
	113,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £41,000.

The academy expects to contribute £59,000 to its defined benefit pension scheme in 2013.



**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

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

	<b>2012</b>
Equities	<b>59.10 %</b>
Government bonds	<b>16.00 %</b>
Other bonds	<b>4.00 %</b>
Cash/liquidity	<b>2.00 %</b>
Other	<b>10.20 %</b>
Property	<b>8.70 %</b>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2012</b>
Discount rate for scheme liabilities	<b>4.50 %</b>
Rate of increase in salaries	<b>3.80 %</b>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>
Inflation assumption (CPI)	<b>2.30 %</b>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

**Sensitivity analysis**

	Approximate % increase to Employer Liability	Approximate monetary amount
0.1% increase in discount rate	2.55 %	(10,000)
0.1% increase in inflation	2.81 %	11,000
1 year increase in life expectancy	2.30 %	9,000

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

	2012
Retiring today	
Males	21.8
Females	24.6
Retiring in 20 years	
Males	23.6
Females	26.5

Amounts for the current period are as follows:

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(505,000)
Scheme assets	113,000
Deficit	(392,000)
Experience adjustments on scheme liabilities	(37,000)
Experience adjustments on scheme assets	(4,000)

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	7.0	66,000
Government bonds	2.5	18,000
Other bonds	3.4	5,000
Property	6.0	10,000
Cash/ liquidity	0.5	2,000
Other	7.0	12,000
Total market value of assets		<u>113,000</u>
Present value of scheme liabilities		<u>(505,000)</u>
Net pension liability		<u><u>(392,000)</u></u>

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

**Value of scheme assets and liabilities**

	Value at 31 August 2012 £
Market value of assets	113,000
Present value of scheme liabilities	(505,000)
Deficit in the scheme	<u>(392,000)</u>
Net pension liability	<u><u>(392,000)</u></u>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

The following amounts have been recognised in the financial statements in the year to 31 August 2012 under the requirements of FRS17:

	Period ended 31 August 2012 £
<b>Operating surplus</b>	
Current service cost	77,000
	<hr/>
Total operating charge	77,000
	<hr/> <hr/>
<b>Other finance income</b>	
Expected return on pension scheme assets	5,000
Interest on pension scheme liabilities	(26,000)
	<hr/>
Net return	(21,000)
	<hr/> <hr/>
<b>Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)</b>	
Actual return less expected return on pension scheme assets	(4,000)
Experience gains and losses arising on the scheme liabilities	(37,000)
	<hr/>
Actuarial loss recognised in STRGL	(41,000)
	<hr/> <hr/>
	Period ended 31 August 2012 £
<b>Movements in deficit during the period:</b>	
Current year service cost	(77,000)
Employer Contributions	84,000
Other finance cost	(21,000)
Actuarial loss	(41,000)
Business combinations	(336,400)
Other	(600)
	<hr/>
Deficit in scheme at end of period	(392,000)
	<hr/> <hr/>

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2012**

**27. PENSION COMMITMENTS (continued)**

**History of experience gains and losses in the scheme**

	Period ended 31 August 2012
Difference between the expected and actual return on scheme assets:	
Amount (£)	(4,000)
Percentage of scheme assets	(3.5)%
Experience gains and losses on scheme liabilities:	
Amount (£)	(37,000)
Percentage of the present value of the scheme liabilities	(7.3)%
Total amount recognised in statement of total recognised gains and losses:	
Amount (£)	(41,000)
Percentage of the present value of the scheme liabilities	(8.1)%

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	Other 2012 £
<b>Expiry date:</b>		
Between 2 and 5 years	-	16,318
After more than 5 years	30,000	1,710

**29. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

St Anselm's College Edmund Rice Trust Fund (The Fund) is a charity set up to provide support for St Anselm's College and for the benefit of its pupils with objects being for the advancement of education at St Anselm's College and the enhancement and improvement of facilities and amenities therein. The fund has 5 trustees in common with the Academy and is therefore deemed to be a related party in line with FRS8. The trust fund owns the Outward House property in which the Academy is currently in the process of refurbishing as a sixth form centre and will establish a formal lease arrangement once occupied.

The Academy is one of the many colleges worldwide that is supported by the Congregation of Christian Brothers. Up to three members of the Governing Body are appointed by the congregation and therefore deemed to be a related party in line with FRS8. The land and buildings occupied by the academy is owned by the Christian Brothers and is leased to the academy on an operating lease for a peppercorn rent. A notional rent of £37,500 (£30,000 per annum) has been apportioned to this benefit and treated as a gift in kind, within donations. A corresponding expense of £37,500 (£30,000 per annum) has been

**ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2012**

**29. RELATED PARTY TRANSACTIONS (continued)**

charged within direct costs. In addition to this a provision of £672,000 has been included within the accounts in relation to the S75 debt based on the most recent valuation of past service liabilities for some non-teaching staff in the Christian Brothers Employee Benefits Scheme.