

Annual Report and Financial Statements
Year Ended 31st August 2018

St Joseph's Catholic College
(A Company Limited by Guarantee)

Company Registration Number:
07696999 (England and Wales)

St Joseph's Catholic College

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Reference and Administrative details

The following governors held office for the whole period unless otherwise indicated

Members of the Academy

Bishop D Lang
CCDEF
Canon J Cunningham

Governors

Rev T D Aspell
Mrs E M Barrett
Canon J Cunningham
P Hughes
C B Lang
E O'Connell-Prater

End of term 31/12/17

A J Matthews
Mrs L Skittrall
A J Szeliga
D Dawson
J Makamure
M Fleet
A Matyla

Resigned 17/07/17

Resigned 20/07/17

Senior Leadership Team

Mrs H Peace
P Hughes
J Giles
Mrs C Bailey
A Stoten
Mrs T Ash
Mr H Moscrop

Secretary
Executive Principal
Head of School
Assistant Principal
Assistant Principal
Assistant Principal
Business Manager

Registered Office

St Joseph's Catholic College
Ocotal Way
Swindon, SN3 3LR

Company Registration Number

07696999

Auditors

Monahans, Statutory Auditors
38-42 Newport Street
Swindon, SN1 3DR

Bankers

Natwest Swindon
Commercial Road
Swindon, SN1 5NW

Solicitors

VWV
Orchard Court, Orchard Lane
Bristol, BS1 5WS

Governors' Report

The governors present their annual report together with the audited financial statements of the Academy for the year ending 31st August 2018.

The trust operates an Academy for pupils ages 11-16 to advance for the public benefit in the United Kingdom a Catholic College which shall establish, maintain, manage and develop a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church. Until the end of August 2018, the school operated for pupils between the ages of 11–19, however, the post 16 element of the curriculum has been suspended for the foreseeable future.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of St Joseph's Catholic College and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Joseph's Catholic College.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

Members Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

Governors Indemnities

Governors benefit from indemnity insurance purchased at the Academy's expense to cover the liabilities of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the College, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty and which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any insurance shall not extend to the cost of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the College. The limit of this indemnity is £1,000,000.

In accordance with the normal commercial practice, the College has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on College business. The insurance provides cover up to £25,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Governors

The Governors are appointed for a term of office of 4 years.

The College has the following Governors, as set out in the Articles of Association and Funding Agreement:

- 11 Foundation Governors who are appointed by the Catholic Bishop of Clifton (including one vacancy)
- 3 Parent Governors (including one vacancy)
- 3 Staff Governors
- 1 additional Governor
- The Executive Principal who is treated for all purposes as being an ex officio Governor

Governors are appointed for a four-year period, except that this time limit does not apply to the Executive Principal. Subject to remaining eligible, to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the board will give consideration to the skills and experience mix of existing Governors in order to insure that the board has the necessary skills to contribute fully to the College's development.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy has a Governor Induction Policy.

The training and induction provided for new Governors is dependent on their existing and previous experience but would always include a tour of the College and a chance to meet staff and students. All Governors are signposted to the Governor section of Moodle (the College VLE) where historical information of Governors meetings and additional information is stored. They also receive copies of policies, procedures, minutes, accounts, budgets, plans and other documents needed to undertake their roles as Governors. Induction is tailored specifically to the individual. Advantage is taken of specific courses on offer and ensuring Governors have all attended safer recruitment training. Governors are all DBS checked.

Organisational Structure

The Full Governing Board meet a minimum of four times per year. They establish an overall framework for the Governance of the College and determine membership and terms of reference. From the 2017/2018 year, sub committees apart from the Admissions Panel and Finance committee have been abolished and the Full Board meet monthly. The Admissions panel met regularly throughout the 2017-18 year to ensure that places when available are allocated as soon as possible. Additionally, the Governors may, from time to time, establish Working Groups to undertake and perform specific tasks over a limited timescale. The Governors have devolved responsibility for day to day management of the College to the Executive Principal, Head of School and Senior Leadership Team.

The responsibilities of each member of the Senior Leadership Team are reviewed annually and discussed with Members of the Senior Leadership Team. Members of the SLT are associate members of relevant Governing Committees.

The Senior Leadership Team comprises of a Head of School, three Assistant Principals and a Business Manager.

The activities of the Senior Leadership Team are underpinned by Governors and Executive Principals expectations, policies and procedures.

Arrangement for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior leadership team. There is a pay policy which complies with the School Teachers' Pay and Conditions Document (STPCD) and this applies to all teaching staff employed by St Joseph's Catholic College. For all operations staff the Academy operates a pay structure which tracks the local authority pay scales and implements all pay recommendations agreed by the relevant unions.

The Trustees (excluding staff) do not receive any pay/remuneration for carrying out their roles.

Risk Management

The major risks to which the Academy may be exposed have been assessed and a system has been implemented to assess all risks which may arise.

The objectives for managing risk across the College are:

- To comply with risk management best practice
- To ensure risks facing the College are identified and appropriately documented
- To provide assurance to Governors that risks are being adequately controlled and identify areas for improvement
- To ensure action is taken appropriately in relation to accepting, mitigating, transferring and avoiding risks

Related Parties and other Connected Charities and Organisations

The College operates as part of the umbrella organisation known as Clifton Catholic Diocese Education Foundation and has a collaborative relationship with all schools in the Diocese.

In addition to this, the wholly owned subsidiary of the College, named Romero Services Limited, is contracted by around 25 schools, at any one time, providing a wide range of educational support and consultancy services. This can range from Data Protection Officer, to IT/HR/Finance or other services and/or support.

Objectives and Activities

Objectives and Aims

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an 11 – 16 years Catholic faith based College designated as such which shall offer a broad and tenets of the Catholic Church and all Catholic Canon law applying thereto including any trust deed governing the use the land used by the Academy both generally and particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

Objectives, Strategies and Activities

Our College aims to get the best for and from each student. We intend to enable each child to realise their full academic, creative and physical potential and to develop positive social and moral values. Our College is a community in which Students, Staff and Parents should be part of a happy and caring environment.

The Key priorities for the year 2018/19 are contained in our College Improvement Plan and include:

Achievement <input type="checkbox"/>	Teaching & Learning <input type="checkbox"/>	Behaviour & Safeguarding <input type="checkbox"/>
Leadership <input type="checkbox"/>	Community & Ethos <input type="checkbox"/>	Building a sustainable & outstanding future <input type="checkbox"/>

Public Benefit

The Governors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities. All of our charitable activities are undertaken to further our charitable purposes for the public benefit.

Trade Union Facility Time

The tables below outline statutory information required about trade union facility time.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.93

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	6
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,791.20
Provide the total pay bill	£5,210,576.22
Provide the percentage of the total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.88%
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Strategic Report

Achievements and Performance

The College had a short inspection by Ofsted in January 2018. Ofsted confirmed the following judgements from the 2014 inspection which feed into the overall judgement:

- Achievement is good
- Leadership is good
- The behaviour and safety of pupils are good
- The quality of teaching is good

Throughout the inspection, Ofsted were impressed by the hard work, commitment and dedication of our staff and students. They share our confidence that standards are good. They are impressed by the strong improvements in the quality of teaching and the changes to the curriculum, as well as the fact that school leaders know the areas of weakness and are highly proactive in addressing these.

The report contained many positive comments that the Inspectors made about our community, in particular they said:

- "Strong leadership has led to improvements in teaching and learning."
- "[There is] sustained strong achievement in subjects such as mathematics, English, religious education and languages since the previous inspection."
- "The work in pupils' books shows that teachers have high expectations of what they can achieve."
- "[Students] behave well and share positive relationships with staff . . . leaders have created an orderly school environment, underpinned by the Catholic faith that forms a key part of the school's identity."

The overall judgement was that the College provides a good quality of Education.

The total number on roll in the last Census was 1261 students, and further students are often admitted on appeal. This is evidenced by the fact that 1271 students are on the College's roll at the time of publication. The College continues to be over-subscribed.

The Governors decided to exceed their PAN in Year 7 from September 2016, to 10 Forms of Entry and up to 270 pupils. It is possible to admit above PAN.

The College is involved at a broader level in different working parties and national groups and a committed member of the Swindon Association of Secondary Head Teachers.

Examination Performance

In a time of continuing turbulence in the examination system, with changing rules and a tightening of grade boundaries on each successive year, the College has continued to maintain its student performance. English results were at 78.13% grade 9 - 4, which is above the national average of 62%. Mathematics results were 61.61% grade 9 - 4, against a national average of 59.8%. Overall, 51.34% of students achieved 5 grades at 9 - 4, including English and Mathematics. Unvalidated figures from Gov.UK reveal that the school has an overall Progress 8 score of +0.06, reflecting the hard work invested by both staff and students in ensuring that students met target grades.

Fundraising Activities

The College undertakes a number of fundraising activities with the joint aim of bolstering the College funds and working with the community. The main source of this income is generated from letting out various parts of the school premises, including internally the Main Hall, Drama Studio, Dance Studio, Gym, Sports Hall and Classrooms plus, externally, the Sports Pitches, Astro Turf, MUGA and Car Park.

In addition to the above, as previously mentioned, we support a number of schools, in Swindon and the surrounding area, with Network and IT services, financial services, business and management, HR, Data management, facilities management and teaching.

Going Concern

After making appropriate enquiries, the Governing Board has a reasonable expectation that the Academy 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 Accounting Policies note of the financial statements. The Trustees note that the academy trust is in the process of making an application to become a Multi Academy Trust. The academy trust is just waiting for written confirmation, from the Diocese, to submit with the application.

Key Financial Performance Indicators

The key financial performance indicator is the net revenue for the year compared to budget. The College normally plans to run a balanced budget each financial period unless there are operational reasons for increasing the timescale. There have been significant financial changes to state education funding during the period and further changes are expected in the next few years. Accordingly, the College is intending to achieve a balanced budget over the period of these changes. The Surplus for the year from Revenue funds (before the movement on the pension fund) was £152,000 (2017: deficit £58,000).

The College recognises its responsibility to the environment. Energy saving opportunities are exercised wherever possible and our Building Management System is designed to automatically monitor heat and light efficiency. We have commenced a program of sensor light implementation alongside a review of where LED lighting can be used for better efficiency with an expected completion of the whole site by 2020. During our re-tender for our utilities contracts, we have committed to a pass through contract, which means being very disciplined between the hours of 16.30 and 19.00 will both achieve greater savings, whilst making environmentally sound energy impacts

Financial Review

Most of the College's income is obtained from the Department of Education (DfE), via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the DfE during the year ended 31st August 2018 and the associated expenditure are shown as Restricted Funds in the statement of Financial Activities.

Total funds at 1 September 2018	=	-£261,000	(2017 -£1,022,000)
Total income for the year	=	£7,698,000	(2017 £7,401,000)
Total expenditure for the year	=	£7,772,000	(2017 £7,592,000)

The academy made an in year surplus of £189,000 (The in year surplus is the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds). At 31 August 2018, the actual position of reserves were £343,000 (being the total balance at 31 August 2018 on restricted general funds [excluding pension reserve] plus the balance on unrestricted funds).

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Governing Body, Executive Principal, Chief Financial and Operating Officer, Managers, Budget Holders and other staff as well as delegated authority for spending. Other policies are reviewed and updated regularly.

Reserves Policy

The Governors review the reserve levels of the College annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the College, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £550,000, representing one month's charitable activities resources expended (excluding depreciation). 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.

As at 31 August 2018, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £53,000 (2017: £36,000). The academy also held an amount of £290,000 on restricted general funds. The reserves held are below the required level. The academy will continue to maximise its fund generating activities to increase the free reserves.

The total balance at 31 August 2018 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £343,000.

In total, at 31 August 2018, the funds of the academy were -£261,000, which is represented by -£314,000 of restricted funds and £53,000 unrestricted funds. £342,000 of the restricted funds can only be realised by disposing of tangible fixed assets.

The governors acknowledge the pension reserve deficit of £946,000 (2017 £1,497,000) and will monitor the situation. Contributions, both monthly and via a lump sum payment, have been increased.

Investment Policy

The only investments held are cash balances. The policy is to hold these with Natwest Bank, in a reserve account, if cash availability permits. The timeframe for investment will always take account of balancing risk with potential higher return.

Financial and Risk Management Objectives and Policies

There has been no evidence, to date, of a falling roll, in the short to medium term. However, the freeze on the government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in the coming years.

The Governors examine the financial health formally at meetings throughout the year, reviewing performance against budgets and overall expenditure by means of regular update reports. The Governors also regularly interrogate cash flow to ensure sufficient funds are held to cover all known and anticipated commitments.

The Governing Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However, as the Governors consider that the College is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principle Risks and Uncertainties

In addition to the financial risks detailed above, the other principle risks and uncertainties facing the College are as follows:-

Safeguarding and Child Protection – the Governors continue to ensure that the highest standards are maintained in the areas of recruitment, selection and monitoring of staff. The operation of child protection policies and procedures, health & safety discipline.

Staffing – the success of the College is reliant on the quality of its staff and so the Governors monitor and review its policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Succession planning including contingency insurance against key staff, is reviewed regularly.

Fraud and Mismanagement of Funds – in addition to the work of the auditors the College had an Internal Audit carried out to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

In addition, the College has, in place, a wide ranging Risk Register covering strategic, reputational, operational, compliance and financial risks.

Fundraising

The academy does not carry out any fundraising activity. The academy occasionally applies for grants, but achieves this through its own efforts without any collaboration with commercial or professional fundraisers

Plans for Future Periods

The College continues to strive to provide a broad Catholic education and improve the levels of attainment and achievement of students at all levels. The College will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

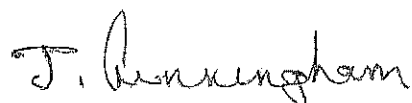
The College will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Auditor

In so far as the governors are aware:

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

Governors report, incorporating a strategic report, approved by order of the members of the Governing Board on .
and signed on its behalf by:



Canon John Cunningham
Chair

Date: 22/11/18

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that St Joseph's Catholic College 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 Executive Principal, as Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Joseph's Catholic College and the Secretary of State for Education. They are also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

Governance

The Governance framework of the Academy is underpinned by a, Terms of Reference and the National Governors Association Code of Practice for School Governors. There is also a commitment to ensuring all activities and actions are fully compliant with The Governors Guide to the Law (updated May 2012).

Governors will cease to hold office if they are absent without the permission of the board and there is resolution to remove the governor. No decisions are made or votes taken unless any subcommittee or full governing body meeting is quorate.

The Executive Principal and other senior members of staff provide updated reports directly to the Full Governing Board. The Chief Financial and Operating Officer provides updates to the board and the Finance and Premises subcommittee. In addition, the Executive Principal, as an ex officio governor, and Chief Financial and Operating Officer, as Company Secretary, attend all Full Governing Body and sub-committee meetings.

The board, including sub committees has formally met 12 times during the year. In addition to that, there were 14 Admissions meetings during the year. Also, the finance committee meet twice per year, once in November for the audit feedback and a post audit meeting and once on June to agree the following year budget. All other financial monitoring is done by the Full Board. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Rev. T D Aspell	7	12
Mrs E M Barrett	11	12
Canon J Cunningham	10	12
Mr M F Fleet	9	14
Mr P Hughes	23	26
Mr C B Lang	24	26
Mrs E O'Connell-Prater	9	11
Mrs J Makamure	11	17
Mr A J Matthews	12	12
Mr A J Matyla	7	14
Mr A J Szeliga	13	26

The board is made up of a variety of skills, and a regular skills audit is undertaken to ensure that these skills remain relevant. In this year the composition of the board includes an Educationalist, two HR specialists, an Accountant and several senior business professionals.

At the end of the year one governor resigned his position. He was a HR professional. The board has reviewed its own effectiveness as part of the self-evaluation of the College and believes that the performance is good. The board receives regular reports from the senior leadership team on student progress, student achievement, learning and teaching, staff issues and financial management. These accounts are substantiated due to professional assessments commissioned by the College improvement partner, responsible officer, safeguarding professional and auditor.

Review of Value for Money

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

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

Financial oversight and governance has been strengthened

We have interrogated the skill set of all governors and have identified that additional financial knowledge would be beneficial, in order to ensure best value. In response to this, we have, as previously mentioned, appointed a qualified accountant to the board.

We have also improved our practice by feeding back the budget lines to governor's very regularly, thereby keeping them aware, in real time, of the changes to any financial outturn which may arise.

We have continued with monthly management accounting in order to ensure that there isn't a time lapse between each set of accounts.

Income generation has been maximised

We have increased our collaboration and support of other schools, as a traded service, both partner primaries and others, in order to maximise income. This year we have added a new service and act as Data Protection Officer for several other schools.

Staffing and Curriculum

Our curriculum model, in Key Stages 3 and 4, has been interrogated to ensure that the subjects we offer benefit from good outcomes and the group sizes have been maximised.

Our staffing analysis is regularly revisited to ensure that natural wastage is not automatically replaced.

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's 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 Joseph's Catholic College for the Year Ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Board has reviewed the key risks to which the Academy is exposed, together with the operational, financial and compliance controls that have been implemented to investigate those risks. The Governing Board is of the view that there is a formal on-going process for, identifying, evaluating and managing the Academy's significant risks that has been in place for the period to this financial year end and up to the date of approval of these accounts. This process is regularly reviewed by the Governing Board.

Senior staff are updated in risk management.

As an Academy, we also benchmark our risk strategies against other comparable schools.

The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information, robust adherence of policies and procedures and includes segregation of duties and a system of delegation and accountability. In particular, it includes

- Comprehensive budgeting and monitoring of systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance Committee and ratified by the Full Governing Board
- Regular reviews by the Board of reports which indicate financial performance against the forecast and of purchase plans, works and expenditure programs.
- Setting targets to measure financial and other performance.
- Clearly defined purchases and (Capital and Revenue) procedures.
- Delegation of authority
- Segregation of duties
- Identification and management of risks

In addition, the Governors have considered the guidance for directors of public listed companies. They believe that, although it is not mandatory for the Academy, it should, as a publically funded body, adopt these guidelines as best practice. Accordingly, they have

- Put in place a risk register identifying the types of risks the Academy faces, levels of risk they deem acceptable, the impact on the College if they materialise and the likelihood of them materialising.
- Clarified the responsibilities of the Senior Leadership Team in implementing the Governor's policies
- Embedded the control system in the Academies operations so that it becomes part of the culture of the Academy.
- Included procedures for reporting findings immediately with details of corrective action being taken

The Finance Committee and Full Governing Board appointed Swindon Borough Council Internal Audit Department as Internal Auditors. On a quarterly basis the Internal Auditors report to the governing body through the finance committee on the operation of the systems of controls.

Each review takes a 3 full days and the Internal Auditor then completes a reports, with recommendations for improvements to good practice.

The full reports, including the recommendations and the college responses are presented to governors.

The Internal Auditor has not found any breaches during their checks but has made recommendations.

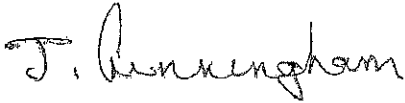
Review of Effectiveness

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

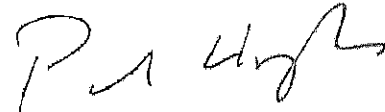
- The work of the Internal Auditor
- The work of the Chief Financial and Operating Officer, who has responsibility for the development and maintenance of the internal control framework. • The work of the external auditors

The Executive Principal has been advised of the implications of the result of his review and the effectiveness of the system of internal control and ensures a plan to address weaknesses, and ensure continuous improvement of the system in place.

Approved by order of the members of the Governing Board on 22/11/18 and signed on its behalf by:



Canon John Cunningham
Chair



Mr P Hughes
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Joseph's Catholic College I have considered my responsibility to notify the Academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with EFSA 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'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.



Mr P Hughes
Accounting Officer

Date: 22/11/18

Statement of Trustees' Responsibilities

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

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

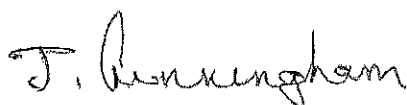
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 22/11/18 and signed on its behalf by:



Canon John Cunningham
Chair of Governors

Report of the Independent Auditors to the Members of
St Joseph's Catholic College

Opinion

We have audited the financial statements of St Joseph's Catholic College (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charitable company Balance Sheet, the Consolidated and parent charitable company Cash Flow Statement and notes to the Consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Report of the Independent Auditors to the Members of
St Joseph's Catholic College

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

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

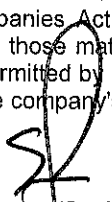
Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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


Steven Fraser (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 27th November 2014

**Independent Reporting Accountant's Assurance Report on Regularity to
St Joseph's Catholic College and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Joseph's Catholic College during the period 1 September 2017 to 31 August 2018 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 Joseph's Catholic College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Joseph's Catholic College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Joseph's Catholic College and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Joseph's Catholic College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Joseph's Catholic College's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 21st November 2018

St Joseph's Catholic College

**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018**

		Unrestricted funds	Restricted funds	Fixed asset fund	Total	2018 funds	Total	2017 funds
	Notes	£'000	£'000	£'000	£'000	£'000	as restated	£'000
INCOME AND ENDOWMENTS FROM								
Donations and capital grants	2	289	-	27	316			315
Charitable activities								
Funding for the academy's educational operations	3	351	6,381	-	6,732			6,696
Other trading activities	4	<u>650</u>	<u>-</u>	<u>-</u>	<u>650</u>			<u>390</u>
Total		1,290	6,381	27	7,698			7,401
EXPENDITURE ON								
Raising funds	6	537	-	1	538			224
Charitable activities								
Academy's educational operations		<u>513</u>	<u>6,625</u>	<u>96</u>	<u>7,234</u>			<u>7,368</u>
Total	5	1,050	6,625	97	7,772			7,592
NET INCOME/(EXPENDITURE)								
		240	(244)	(70)	(74)			(191)
Transfers between funds	20	<u>(223)</u>	<u>132</u>	<u>91</u>	<u>-</u>			<u>-</u>
Other recognised gains/(losses)								
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>835</u>	<u>-</u>	<u>835</u>			<u>1,662</u>
Net movement in funds		17	723	21	761			1,471
RECONCILIATION OF FUNDS								
As previously reported		36	(1,379)	20,348	19,005			(2,493)
Prior year adjustment	12	<u>-</u>	<u>-</u>	<u>(20,027)</u>	<u>(20,027)</u>			<u>-</u>
As Restated		36	(1,379)	321	(1,022)			(2,493)
TOTAL FUNDS CARRIED FORWARD								
		<u>53</u>	<u>(656)</u>	<u>342</u>	<u>(261)</u>			<u>(1,022)</u>

St Joseph's Catholic College

Parent Balance Sheet
At 31 August 2018

	Notes	2018 £'000	2017 as restated £'000
FIXED ASSETS			
Tangible assets	13	342	301
CURRENT ASSETS			
Stocks	14	2	9
Debtors	15	566	872
Cash at bank and in hand		<u>209</u>	<u>99</u>
		777	980
CREDITORS			
Amounts falling due within one year	16	(434)	(806)
NET CURRENT ASSETS		<u>343</u>	<u>174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		685	475
PENSION LIABILITY	21	(946)	(1,497)
NET ASSETS/(LIABILITIES)		<u>(261)</u>	<u>(1,022)</u>
FUNDS	20		
Restricted funds			
Fixed asset funds		342	321
Restricted income fund		263	118
Pension reserve		<u>(946)</u>	<u>(1,497)</u>
Total restricted funds		(314)	(1,058)
Unrestricted funds		<u>53</u>	<u>36</u>
TOTAL FUNDS		<u>(261)</u>	<u>(1,022)</u>

The financial statements were approved by the Board of Trustees on 20/11/18 and were signed on its behalf by:

J. Cunningham

.....
Canon John Cunningham -Trustee

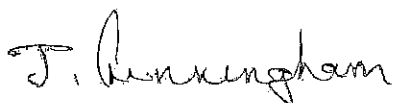
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St Joseph's Catholic College

Consolidated Balance Sheet
At 31 August 2018

	Notes	2018 £'000	2017 as restated £'000
FIXED ASSETS			
Tangible assets	13	342	301
CURRENT ASSETS			
Stocks	14	5	11
Debtors	15	646	524
Cash at bank and in hand		<u>263</u>	<u>466</u>
		914	1,001
CREDITORS			
Amounts falling due within one year	16	(571)	(827)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>343</u>	<u>174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		685	475
PENSION LIABILITY	21	(946)	(1,497)
		<u> </u>	<u> </u>
NET ASSETS/(LIABILITIES)		<u>(261)</u>	<u>(1,022)</u>
FUNDS	20		
Restricted funds			
Fixed asset funds		342	321
Restricted income fund		263	118
Pension reserve		<u>(946)</u>	<u>(1,497)</u>
Total restricted funds		(314)	(1,058)
Unrestricted funds		<u>53</u>	<u>36</u>
TOTAL FUNDS		<u>(261)</u>	<u>(1,022)</u>

The financial statements were approved by the Board of Trustees on 22/11/18 and were signed on its behalf by:


.....
Canon John Cunningham - Trustee

St Joseph's Catholic College

Consolidated Cash Flow Statement
for the Year Ended 31 August 2018

		2018	2017
	Notes	£'000	as restated £'000
Cash flows from operating activities:			
Cash generated from operations	25	<u>(110)</u>	<u>183</u>
Net cash provided by (used in) operating activities		<u>(110)</u>	<u>183</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(120)	(50)
Capital grants from DfE/ESFA		<u>27</u>	<u>26</u>
Net cash provided by (used in) investing activities		<u>(93)</u>	<u>(24)</u>
Change in cash and cash equivalents in the reporting period		<u>(203)</u>	<u>159</u>
Cash and cash equivalents at the beginning of the reporting period		<u>466</u>	<u>307</u>
Cash and cash equivalents at the end of the reporting period		<u>263</u>	<u>466</u>

St Joseph's Catholic College
Parent Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	2018 £'000	2017 as restated £'000
Cash flows from operating activities:			
Cash generated from operations	25	<u>203</u>	<u>(184)</u>
Net cash provided by (used in) operating activities		<u>203</u>	<u>(184)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(120)	(50)
Capital grants from DfE/ESFA		<u>27</u>	<u>26</u>
Net cash provided by (used in) investing activities		<u>(93)</u>	<u>(24)</u>
Change in cash and cash equivalents in the reporting period		110	(208)
Cash and cash equivalents at the beginning of the reporting period		<u>99</u>	<u>307</u>
Cash and cash equivalents at the end of the reporting period		<u>209</u>	<u>99</u>

St Joseph's Catholic College

Notes to the Consolidated Financial Statements for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

St Joseph's Catholic College meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest thousand pound.

Group financial statements

The financial statements consolidate the results of the academy trust and its wholly-owned subsidiary companies on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure account for the academy trust has not been presented because the academy trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees note that the academy trust has applied to become a Multi-Academy Trust. At the date of approval of these financial statements the application has yet to be approved.

Changes in accounting policies

Following new guidance contained in the Academies Accounts Direction, where schools join an Academy and obtain permission to occupy buildings under a Church Supplemental Agreement (CSA), those buildings need not be recognised as a fixed asset in the balance sheet of the Academy Trust. This is considered to be a more appropriate policy in order to recognise the true ownership of such buildings where occupation is granted under a two-year rolling licence with the risks and rewards of ownership being retained by the land owner.

The Academy occupies its buildings under a CSA and therefore the land and buildings have not been recognised as assets in the balance sheet. Notional rent of £289,000 p.a. has been recognised for the use of the buildings, with an equal notional donation from the Church also recognised.

See note 12 for details of the prior year adjustment.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

Other income

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

Donated goods, facilities and services

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

Where material, donated goods and services are recognised as income when the academy has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the academy of the item is probable and that economic benefit can be measured reliably. On receipt, where material, donated goods and services are recognised on the basis of the value of the gift to the academy which is the amount the academy would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund

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

Freehold buildings	50 years
Land	Nil
Site improvements	3 - 10 years
Fixtures, fittings and equipment	5 years
Computer equipment	3 - 5 years

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

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.

Assets transferred to the academy upon conversion were fully depreciated in the first year's accounts other than land and buildings, being the Monsignor Richard Twomey Training & Conference centre, which was received for no consideration. This was valued, at market value, by Hinton Newport, Chartered Surveyors, at £85,000.

Land and buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet. Where capital expenditure has been incurred by the academy then the academy trust recognises a site improvement asset funded by capital grants even when the site is not recognised as land and buildings in their academy trust's own accounts.

Investments

The academy's shareholding in the wholly owned subsidiary, Romero Services Limited, is included in the balance sheet at the cost of £1 being the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived..

Stocks

Stock consists of catering goods for resale. Stocks are valued at the lower of cost and net realisable value.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within charitable activities.

Leased assets

Rentals under operating leases are charged on straight line basis over the lease term.

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

1. **ACCOUNTING POLICIES - continued**

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 trustees.

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

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

Pension benefits

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds as restated
	£'000	£'000	£'000	£'000
Grants	-	27	27	26
Notional donation from Diocese re property occupied	<u>289</u>	<u>-</u>	<u>289</u>	<u>289</u>
	<u>289</u>	<u>27</u>	<u>316</u>	<u>315</u>

Grants received, included in the above, are as follows:

	2018	2017
	£'000	as restated £'000
DfE Group capital grant	<u>27</u>	<u>26</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£'000	£'000	£'000	£'000
Grants	-	6,331	6,331	6,225
School trips	-	41	41	110
Catering	328	-	328	310
Other income	<u>23</u>	<u>9</u>	<u>32</u>	<u>51</u>
	<u>351</u>	<u>6,381</u>	<u>6,732</u>	<u>6,696</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	6,008	6,008	5,872
DfE Group grants	-	<u>264</u>	<u>264</u>	<u>280</u>
	-	6,272	6,272	6,152
Other government grant				
Special educational projects	-	59	59	62
Local authority grants	-	-	-	<u>11</u>
	-	<u>59</u>	<u>59</u>	<u>73</u>
	-	<u>6,331</u>	<u>6,331</u>	<u>6,225</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities	129	-	129	113
Catering income	29	-	29	16
Other income	18	-	18	53
Training, consultancy, ICT, HR and finance services	<u>474</u>	-	<u>474</u>	<u>208</u>
	<u>650</u>	-	<u>650</u>	<u>390</u>

5. EXPENDITURE

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	2018 Total £'000	2017 Total as restated £'000
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	177	1	360	538	224
Charitable activities					
Academies educational operations					
Direct costs	4,056	-	646	4,702	4,967
Allocated support costs	<u>1,444</u>	<u>645</u>	<u>443</u>	<u>2,532</u>	<u>2,401</u>
	<u>5,677</u>	<u>646</u>	<u>1,449</u>	<u>7,772</u>	<u>7,592</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

5. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£'000	as restated £'000
Auditors' remuneration	12	11
Auditor's remuneration - under accrual in previous years	-	2
Auditor's remuneration for non-audit work	2	2
Depreciation - owned assets	79	81
Operating leases - equipment	<u>119</u>	<u>65</u>

6. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£'000	£'000	£'000	as restated £'000
Staff costs	177	-	177	112
Purchases, conference centre and lettings costs	360	-	360	109
Depreciation	<u>-</u>	<u>1</u>	<u>1</u>	<u>3</u>
	<u>537</u>	<u>1</u>	<u>538</u>	<u>224</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£'000	£'000	£'000	as restated £'000
Direct costs	23	4,679	4,702	4,967
Support costs	<u>490</u>	<u>2,042</u>	<u>2,532</u>	<u>2,401</u>
	<u>513</u>	<u>6,721</u>	<u>7,234</u>	<u>7,368</u>

	2018 Total	2017 Total
	£'000	as restated £'000
Analysis of support costs		
Support staff costs	1,444	1,281
Depreciation	58	61
Technology costs	9	8
Premises costs	623	674
Other support costs	362	338
Governance costs	<u>36</u>	<u>39</u>
Total support costs	<u>2,532</u>	<u>2,401</u>

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

8. TRUSTEES' REMUNERATION AND BENEFITS

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

The value of trustees' remuneration was as follows:

P Hughes, Principal and trustee

Remuneration £100,000 - £105,000 (2017: £100,000 - £105,000)

Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

A Matyla, staff governor and trustee

Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

M Fleet, staff governor and trustee

Remuneration £45,000 - £50,000 (2017: £45,000 - £50,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

Trustees' expenses

During the year ended 31 August 2018, no travel and subsistence expenses were claimed or reimbursed to trustees (2017 - NIL). Other related party transactions involving the trustees are set out in note 22.

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

9. STAFF COSTS

	2018	2017
	£'000	as restated £'000
Wages and salaries	4,124	4,137
Social security costs	377	362
Operating costs of defined benefit pension schemes	1,031	945
Apprenticeship levy	<u>8</u>	<u>8</u>
Supply teacher costs	5,540	5,452
Compensation payments	127	103
	<u>10</u>	<u>-</u>
	<u>5,677</u>	<u>5,555</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2018	2017
Teachers	55	54
Administration and support	78	73
Management	<u>28</u>	<u>24</u>
	<u>161</u>	<u>151</u>

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

	2018	2017
£60,001 - £70,000	2	2
£100,001 - £110,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The full time equivalent number of persons employed by the Academy during the year was:

	2018 Number	2017 Number
Teachers	46	48
Administration and support	53	47
Management	<u>27</u>	<u>22</u>
	<u>126</u>	<u>117</u>

Severance payments include a non-statutory/non-contractual settlement payment of £10,000 for one member of staff.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £494,052 (2017: £485,624).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance scheme.

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Fixed asset fund	Total funds as restated £'000
	£'000	£'000	£'000	
INCOME AND ENDOWMENTS				
FROM				
Donations and capital grants	289	-	26	315
Charitable activities				
Funding for the academy's educational operations	448	6,248	-	6,696
Other trading activities	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>
Total	1,127	6,248	26	7,401
EXPENDITURE ON				
Raising funds	221	-	3	224
Charitable activities				
Academy's educational operations	<u>648</u>	<u>6,639</u>	<u>81</u>	<u>7,368</u>
Total	869	6,639	84	7,592
NET INCOME/(EXPENDITURE)	258	(391)	(58)	(191)
Transfers between funds	<u>(261)</u>	<u>218</u>	<u>43</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>1,662</u>	<u>-</u>	<u>1,662</u>
Net movement in funds	(3)	1,489	(15)	1,471
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>39</u>	<u>(2,868)</u>	<u>336</u>	<u>(2,493)</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>36</u></u>	<u><u>(1,379)</u></u>	<u><u>321</u></u>	<u><u>(1,022)</u></u>

12. PRIOR YEAR ADJUSTMENT

Following new guidance contained in the Academies Accounts Direction, where schools join an Academy and obtain permission to occupy buildings under a Church Supplemental Agreement (CSA), those buildings need not be recognised as a fixed asset in the balance sheet of the Academy Trust. This is considered to be a more appropriate policy in order to recognise the true ownership of such buildings where occupation is granted under a two-year rolling licence with the risks and rewards of ownership being retained by the land owner.

Church land and buildings of £21,767,000 were previously recognised in the year ended 31 August 2014 as a donation on conversion in the Statement of Financial Activities. A prior year adjustment has been processed in these financial statements to de-recognise all these assets and their associated depreciation charges, with a total adjustment to brought forward funds at 1 September 2016 of £20,316,000. Depreciation charged in 2016/17 has been reduced by £290,000.

£289,000 has also been recognised as a notional rent cost and donation from the Church.

As a result of these changes, the net book value of tangible fixed assets brought forward at 1 September 2017 has reduced from £20,328,000 to £301,000.

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

13. TANGIBLE FIXED ASSETS AND FIXED ASSET INVESTMENTS

a) TANGIBLE FIXED ASSETS

Group and Parent

	Freehold property £'000	Site improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST					
At 1 September 2017	85	365	120	121	691
Additions	<u>-</u>	<u>92</u>	<u>19</u>	<u>9</u>	<u>120</u>
At 31 August 2018	<u>85</u>	<u>457</u>	<u>139</u>	<u>130</u>	<u>811</u>
DEPRECIATION					
At 1 September 2017	7	177	110	96	390
Charge for year	<u>1</u>	<u>58</u>	<u>7</u>	<u>13</u>	<u>79</u>
At 31 August 2018	<u>8</u>	<u>235</u>	<u>117</u>	<u>109</u>	<u>469</u>
NET BOOK VALUE					
At 31 August 2018	<u>77</u>	<u>222</u>	<u>22</u>	<u>21</u>	<u>342</u>
At 31 August 2017	<u>78</u>	<u>188</u>	<u>10</u>	<u>25</u>	<u>301</u>

Land and buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet. These land and buildings are occupied free of charge under a rolling two year licence.

Included in freehold property is land of £28,333 (2017: £28,333) which is not depreciated.

b) FIXED ASSET INVESTMENTS

The academy trust holds 1 share of £1 each in its wholly owned trading subsidiary company St Joseph's Enterprises Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company is summarised in note 23.

14. STOCKS

Group

	2018 £'000	2017 £'000
Catering	5	10
Stationery	<u>-</u>	<u>1</u>
	<u>5</u>	<u>11</u>

Parent

	2018 £'000	2017 as restated £'000
Catering	2	8
Stationery	<u>-</u>	<u>1</u>
	<u>2</u>	<u>9</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2018 £'000	2017 £'000
Trade debtors	311	223
VAT	-	39
Prepayments and accrued income	<u>335</u>	<u>262</u>
	<u>646</u>	<u>524</u>

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued
Parent

	2018	2017 as restated
	£'000	£'000
Trade debtors	-	160
Amounts owed by group undertakings	246	386
VAT	59	69
Prepayments and accrued income	<u>261</u>	<u>257</u>
	<u>566</u>	<u>872</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR
Group

	2018	2017 as restated
	£'000	£'000
Trade creditors	267	259
Social security and other taxes	97	93
VAT	7	-
Other creditors	22	346
Accruals and deferred income	<u>178</u>	<u>129</u>
	<u>571</u>	<u>827</u>

Parent

	2018	2017 as restated
	£'000	£'000
Trade creditors	193	246
Social security and other taxes	97	93
Other creditors	14	346
Accruals and deferred income	<u>130</u>	<u>121</u>
	<u>434</u>	<u>806</u>

Group and Parent

Deferred income

	£'000
Deferred Income at 1 September 2017	33
Resources deferred in the year	51
Amounts released from previous years	<u>(33)</u>
Deferred Income at 31 August 2018	<u>51</u>

At the balance sheet date the academy trust was holding funds received in advance for the 18/19 school year.

17. LEASING AGREEMENTS

Group and parent

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017 as restated
	£'000	£'000
Within one year	72	87
Between one and five years	<u>139</u>	<u>211</u>
	<u>211</u>	<u>298</u>

18. MEMBERS' LIABILITY

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

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted	Restricted	Fixed asset	2018
	funds	funds	fund	Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	342	342
Current assets	247	667	-	914
Current liabilities	(194)	(377)	-	(571)
Pension liability	-	(946)	-	(946)
	<u>53</u>	<u>(656)</u>	<u>342</u>	<u>(261)</u>

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

	Unrestricted	Restricted	Fixed asset	2017
	funds	funds	fund	Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	301	301
Current assets	77	904	20	1,001
Current liabilities	(41)	(786)	-	(827)
Pension liability	-	(1,497)	-	(1,497)
	<u>36</u>	<u>(1,379)</u>	<u>321</u>	<u>(1,022)</u>

Parent

	Unrestricted	Restricted	Fixed asset	2018
	funds	funds	fund	Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	342	342
Current assets	53	724	-	777
Current liabilities	-	(434)	-	(434)
Pension liability	-	(946)	-	(946)
	<u>53</u>	<u>(656)</u>	<u>342</u>	<u>(261)</u>

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

	Unrestricted	Restricted	Fixed asset	2017
	funds	funds	fund	Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	301	301
Current assets	56	904	20	980
Current liabilities	(20)	(786)	-	(806)
Pension liability	-	(1,497)	-	(1,497)
	<u>36</u>	<u>(1,379)</u>	<u>321</u>	<u>(1,022)</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS
Group

	At 1.9.17 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
Unrestricted funds					
Unrestricted fund	36	-	240	(223)	53
Restricted funds					
General Annual Grant	-	-	70	218	288
DfE Group grants	3	-	(3)	-	-
Other government grants	87	-	(1)	(86)	-
DfE Group capital grants	25	-	2	-	27
Pension	(1,497)	-	551	-	(946)
Capital expenditure from GAG	44	-	(24)	-	20
Fixed assets on conversion	20,027	(20,027)	-	-	-
Fixed assets purchased from unrestricted funds	216	-	(45)	-	171
Other government capital grants	36	-	(3)	91	124
Pupil Premium	28	-	(26)	-	2
	18,969	(20,027)	521	223	(314)
TOTAL FUNDS	19,005	(20,027)	761	-	(261)

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	1,290	(1,050)	-	240
Restricted funds				
General Annual Grant	6,008	(5,938)	-	70
DfE Group grants	75	(78)	-	(3)
Other government grants	59	(60)	-	(1)
DfE Group capital grants	27	(25)	-	2
Other restricted income	50	(50)	-	-
Pupil Premium	189	(215)	-	(26)
Pension	-	(284)	835	551
Capital expenditure from GAG	-	(24)	-	(24)
Fixed assets purchased from unrestricted funds	-	(45)	-	(45)
Other government capital grants	-	(3)	-	(3)
	6,408	(6,722)	835	521
TOTAL FUNDS	7,698	(7,772)	835	761

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued
Comparatives for movement in funds

	At 1.9.16 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.17 £'000
Unrestricted Funds				
Unrestricted fund	39	258	(261)	36
Restricted Funds				
General Annual Grant	(44)	(174)	218	-
DfE Group grants	6	25	-	31
Other government grants	95	(8)	-	87
DfE Group capital grants	8	17	-	25
Pension	(2,925)	1,428	-	(1,497)
Capital expenditure from GAG	40	(39)	43	44
Fixed assets purchased from unrestricted funds	251	(35)	-	216
Other government capital grants	<u>37</u>	<u>(1)</u>	<u>-</u>	<u>36</u>
	<u>(2,532)</u>	<u>1,213</u>	<u>261</u>	<u>(1,058)</u>
TOTAL FUNDS	<u>(2,493)</u>	<u>1,471</u>	<u>-</u>	<u>(1,022)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	1,127	(869)	-	258
Restricted funds				
General Annual Grant	5,872	(6,046)	-	(174)
DfE Group grants	303	(278)	-	25
Other government grants	73	(81)	-	(8)
DfE Group capital grants	26	(9)	-	17
Other government capital grants	-	(1)	-	(1)
Pension	-	(234)	1,662	1,428
Capital expenditure from GAG	-	(39)	-	(39)
Fixed assets purchased from unrestricted funds	<u>-</u>	<u>(35)</u>	<u>-</u>	<u>(35)</u>
	<u>6,274</u>	<u>(6,723)</u>	<u>1,662</u>	<u>1,213</u>
TOTAL FUNDS	<u>7,401</u>	<u>(7,592)</u>	<u>1,662</u>	<u>1,471</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
Unrestricted funds					
Unrestricted fund	39	-	498	(484)	53
Restricted funds					
General Annual Grant	(44)	-	(104)	436	288
DfE Group grants	6	-	22	-	28
Other government grants	95	-	(9)	(86)	-
DfE Group capital grants	8	-	19	-	27
Pension	(2,925)	-	1,979	-	(946)
Capital expenditure from GAG	40	-	(63)	43	20
Fixed assets on conversion	-	(20,027)	-	-	(20,027)
Fixed assets purchased from unrestricted funds	251	-	(80)	-	171
Other government capital grants	37	-	(4)	91	124
Pupil Premium	-	-	(26)	-	(26)
	<u>(2,532)</u>	<u>(20,027)</u>	<u>1,734</u>	<u>484</u>	<u>(20,341)</u>
TOTAL FUNDS	<u>(2,493)</u>	<u>(20,027)</u>	<u>2,232</u>	<u>-</u>	<u>(20,288)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	2,417	(1,919)	-	498
Restricted funds				
General Annual Grant	11,880	(11,984)	-	(104)
DfE Group grants	378	(356)	-	22
Other government grants	132	(141)	-	(9)
DfE Group capital grants	53	(34)	-	19
Other restricted income	50	(50)	-	-
Pupil Premium	189	(215)	-	(26)
Pension	-	(518)	2,497	1,979
Capital expenditure from GAG	-	(63)	-	(63)
Fixed assets purchased from unrestricted funds	-	(80)	-	(80)
Other government capital grants	-	(4)	-	(4)
	<u>12,682</u>	<u>(13,445)</u>	<u>2,497</u>	<u>1,734</u>
TOTAL FUNDS	<u>15,099</u>	<u>(15,364)</u>	<u>2,497</u>	<u>2,232</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS

Parent

	At 1.9.17 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
Unrestricted funds					
Unrestricted fund	36	-	240	(223)	53
Restricted funds					
General Annual Grant	-	-	70	218	288
DfE Group grants	3	-	(3)	-	-
Other government grants	87	-	(1)	(86)	-
DfE Group capital grants	25	-	2	-	27
Pension	(1,497)	-	551	-	(946)
Capital expenditure from GAG	44	-	(24)	-	20
Fixed assets on conversion	20,027	(20,027)	-	-	-
Fixed assets purchased from unrestricted funds	216	-	(45)	-	171
Other government capital grants	36	-	(3)	91	124
Pupil premium	28	-	(26)	-	2
	18,969	(20,027)	521	223	(314)
TOTAL FUNDS	<u>19,005</u>	<u>(20,027)</u>	<u>761</u>	<u>-</u>	<u>(261)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	730	(490)	-	240
Restricted funds				
General Annual Grant	6,008	(5,938)	-	70
DfE Group grants	75	(78)	-	(3)
Other government grants	59	(60)	-	(1)
DfE Group capital grants	27	(25)	-	2
Other restricted income	50	(50)	-	-
Pupil premium	189	(215)	-	(26)
Pension	-	(284)	835	551
Capital expenditure from GAG	-	(24)	-	(24)
Fixed assets purchased from unrestricted funds	-	(45)	-	(45)
Other government capital grants	-	(3)	-	(3)
	6,408	(6,722)	835	521
TOTAL FUNDS	<u>7,138</u>	<u>(7,212)</u>	<u>835</u>	<u>761</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.17 £'000
Unrestricted Funds				
Unrestricted fund	39	258	(261)	36
Restricted Funds				
General Annual Grant	(44)	(174)	218	-
DfE Group grants	-	3	-	3
Other government grants	95	(8)	-	87
DfE Group capital grants	8	17	-	25
Pension	(2,925)	1,428	-	(1,497)
Capital expenditure from GAG	40	(39)	43	44
Fixed assets purchased from unrestricted funds	251	(35)	-	216
Other government capital grants	37	(1)	-	36
Pupil premium	6	22	-	28
	(2,532)	1,213	261	(1,058)
TOTAL FUNDS	<u>(2,493)</u>	<u>1,471</u>	<u>-</u>	<u>(1,022)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	846	(588)	-	258
Restricted funds				
General Annual Grant	5,872	(6,046)	-	(174)
DfE Group grants	99	(96)	-	3
Other government grants	73	(81)	-	(8)
DfE Group capital grants	26	(9)	-	17
Other government capital grants	-	(1)	-	(1)
Pupil premium	204	(182)	-	22
Pension	-	(234)	1,662	1,428
Capital expenditure from GAG	-	(39)	-	(39)
Fixed assets purchased from unrestricted funds	-	(35)	-	(35)
	6,274	(6,723)	1,662	1,213
TOTAL FUNDS	<u>7,120</u>	<u>(7,311)</u>	<u>1,662</u>	<u>1,471</u>

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS – continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
Unrestricted funds					
Unrestricted fund	39	-	498	(484)	53
Restricted funds					
General Annual Grant	(44)	-	(104)	436	288
Other government grants	95	-	(9)	(86)	-
DfE Group capital grants	8	-	19	-	27
Pension	(2,925)	-	1,979	-	(946)
Capital expenditure from GAG	40	-	(63)	43	20
Fixed assets on conversion	-	(20,027)	-	-	(20,027)
Fixed assets purchased from unrestricted funds	251	-	(80)	-	171
Other government capital grants	37	-	(4)	91	124
Pupil premium	6	-	(4)	-	2
	<u>(2,532)</u>	<u>(20,027)</u>	<u>1,734</u>	<u>484</u>	<u>(20,341)</u>
TOTAL FUNDS	<u>(2,493)</u>	<u>(20,027)</u>	<u>2,232</u>	<u>-</u>	<u>(20,288)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted fund	1,576	(1,078)	-	498
Restricted funds				
General Annual Grant	11,880	(11,984)	-	(104)
DfE Group grants	174	(174)	-	-
Other government grants	132	(141)	-	(9)
DfE Group capital grants	53	(34)	-	19
Other restricted income	50	(50)	-	-
Pupil premium	393	(397)	-	(4)
Pension	-	(518)	2,497	1,979
Capital expenditure from GAG	-	(63)	-	(63)
Fixed assets purchased from unrestricted funds	-	(80)	-	(80)
Other government capital grants	-	(4)	-	(4)
	<u>12,682</u>	<u>(13,445)</u>	<u>2,497</u>	<u>1,734</u>
TOTAL FUNDS	<u>14,258</u>	<u>(14,523)</u>	<u>2,497</u>	<u>2,232</u>

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS – continued

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE Group grants - these include catch up premium for those pupils who did not attain level 4 in reading and maths, the rates relief to contribute towards the rates bill, and the funding for external students.

Pupil premium - used to assist pupils from low income families

Other government grants - this is the special educational needs funding from Swindon Borough Council and other local authorities, plus a grant to encourage sustainable commuting for the employees of the academy.

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE Group capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Other government capital grants - this represents the capital purchase from the grant to encourage sustainable commuting for the employees of the academy

Fixed assets on conversion - this represents the value of land, buildings and other assets transferred from the Local Authority to the academy on conversion less depreciation.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

Fixed assets purchased from unrestricted funds - this represents the cost less depreciation of assets purchased from unrestricted funds.

Transfers between funds

The following transfers were made:

£32,000 transferred from unrestricted funds to GAG, being the donation of profits received from Romero Services Limited which contributes towards GAG expenditure.

£368,000 transferred from unrestricted funds to GAG, being the management charge (equivalent to the trading and catering wages and support time incurred) received from Romero Services Limited which contributes towards GAG expenditure.

£177,000 transferred from GAG to unrestricted funds, being the cost of the trading wages incurred which is covered by the above management charges.

£86,000 transferred from other government grants to other government capital grants, being the purchase of fixed assets from restricted income.

£5,000 transferred from GAG to other government capital grants, being the GAG contribution to the purchase of fixed assets funded, in the majority by a grant from the government.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS

Group and parent

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £415,000 (2017: £334,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £464,000 (2017: £491,000), of which employer's contributions totalled £370,000 (2017: £397,000), and employees' contributions totalled £94,000 (2017: £94,000). The agreed contribution rates for future years are 25.1% for employers and 5.5-11.4% for employees.

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

St Joseph's Catholic College

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018**

**21. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£'000	£'000
Present value of funded obligations	(6,805)	(6,475)
Fair value of plan assets	<u>5,859</u>	<u>4,978</u>
	<u>(946)</u>	<u>(1,497)</u>
Deficit	<u>(946)</u>	<u>(1,497)</u>
Liability	<u>(946)</u>	<u>(1,497)</u>

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

	Defined benefit pension plans	
	2018	2017 as restated
	£'000	£'000
Current service cost	614	568
Net interest from net defined benefit asset/liability	<u>170</u>	<u>150</u>
	<u>784</u>	<u>718</u>
Interest income on plan assets	<u>130</u>	<u>87</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£'000	£'000
Defined benefit obligation	6,475	6,858
Current service cost	614	568
Contributions by scheme participants	94	94
Interest cost	170	150
Benefits paid	(45)	(59)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(84)
Actuarial (gains)/losses from changes in financial assumptions	(503)	(678)
Oblig other experience	-	(374)
	<u>6,805</u>	<u>6,475</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£'000	£'000
Fair value of scheme assets	4,978	3,933
Contributions by employer	370	397
Contributions by scheme participants	94	94
Interest income	130	87
Benefits paid	(45)	(59)
Remeasurements:		
Return on plan assets (excluding interest income)	332	516
Assets other remeasurement	-	10
	<u>5,859</u>	<u>4,978</u>

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£'000	£'000
Actuarial (gains)/losses from changes in demographic assumptions	-	84
Actuarial (gains)/losses from changes in financial assumptions	503	678
Oblig other experience	-	374
Return on plan assets (excluding interest income)	332	516
Assets other remeasurement	-	10
	<u>835</u>	<u>1,662</u>

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

	Defined benefit pension plans	
	2018	2017
Equities	71%	71%
Bonds	14%	14%
Property	13%	13%
Cash	2%	2%

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

	2018	2017
Discount rate	2.8%	2.5%
Future salary increases	2.6%	2.7%
Future pension increases	2.3%	2.4%
Inflation (CPI)	2.3%	2.4%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2018	At 31 August 2017
Current pensioners		
Males	22.5 years	22.5 years
Females	24.9 years	24.9 years
Future pensioners*		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 years

* Figures assume members aged 45 as at the last formal valuation date.

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 August 2018	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	854
0.5% increase in the Salary Increase Rate	2%	137
0.5% increase in the Pension Increase Rate	10%	707

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

22. RELATED PARTY DISCLOSURES

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

Expenditure Related Party Transaction

S Peace, spouse of H Peace, a trustee and key management, is employed by the academy trust as Business Development Management. S Peace's appointment was made in open competition and H Peace was not involved in the decision making process regarding his appointment. S Peace is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

Income Related Party Transaction

P Hughes, key management of the academy trust, is also principle of Holy Cross Catholic Primary School. The academy, through its trading subsidiary, provides premises, ICT and accounting services to Holy Cross amounting to £51,276 during the year.

23. AGENCY ARRANGEMENTS

Group and Parent

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £7,000 (2017: £7,000) and disbursed £nil (2017: £4,000) from the fund. An amount of £14,000 (2017: £6,000) is included in other creditors relating to undistributed funds that is repayable to ESFA.

24. COMMERCIAL TRADING OPERATIONS

The wholly owned subsidiary, Romero Services Limited (company number 10001867 (England and Wales)), provides ICT, HR, finance, GDPR and premises services to other academies, lets out the school and conference centre facilities, and provides catering services. The company will pay over the whole of its profit each year and its accounts have been consolidated in these accounts. A summary of the trading results are shown below:

	2018 £'000	2017 £'000
Turnover	960	650
Cost of Sales	(547)	(273)
Administrative expenses	(10)	(5)
Auditor's remuneration	(3)	(3)
Management charge from the academy	(368)	(248)
Donation to the academy	(32)	(121)
Result for the year	-	-
Current assets	441	437
Current liabilities	(441)	(437)
Net assets at 31 August	-	-

St Joseph's Catholic College

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2018

25. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES
Group

	2018	2017
	£'000	as restated £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(74)	(191)
Adjustments for:		
Depreciation	79	81
Capital grants from DfE/ESFA	(27)	(26)
DB pension scheme cost less contribution	244	171
DB pension scheme finance cost	40	63
Decrease/(increase) in stocks	6	(2)
Increase in debtors	(122)	(183)
(Decrease)/increase in creditors	<u>(256)</u>	<u>270</u>
Net cash provided by (used in) operating activities	<u>(110)</u>	<u>183</u>

Parent

	2018	2017
	£'000	as restated £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(74)	(191)
Adjustments for:		
Depreciation	79	81
Capital grants from DfE/ESFA	(27)	(26)
DB pension scheme cost less contribution	244	171
DB pension scheme finance cost	40	63
Decrease in stocks	7	-
Decrease/(increase) in debtors	306	(531)
(Decrease)/increase in creditors	<u>(372)</u>	<u>249</u>
Net cash provided by (used in) operating activities	<u>203</u>	<u>(184)</u>

