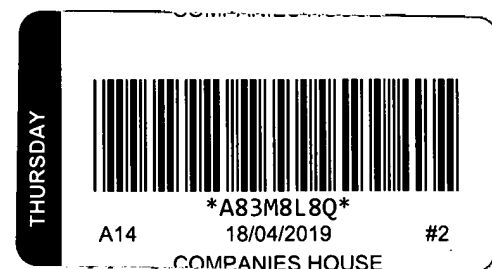


REGISTERED COMPANY NUMBER: 07490390 (England and Wales)

**Strategic Report, Report of the Trustees and
Financial Statements for the Year Ended 31st August 2018
for**

St Joseph's College Edmund Rice Academy Trust

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU



St Joseph's College Edmund Rice Academy Trust

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for the Year Ended 31st August 2018**

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St Joseph's College Edmund Rice Academy Trust

Reference and Administrative Details for the Year Ended 31st August 2018

Members	Mr E J Coupe Mr P J Gordon The Trustees of the property held in connection with the English Province of the Congregation of the Christian Brothers
Trustees	Mr N Atkins Br J Catterson Dr J Challiner Mrs L D Cooke Mr J Devine Mr N Dodd Mr S Flather Mr A Franks Mr G Higgins (resigned 22/10/2017) Mrs M Hilton Mrs C Machin Ms S P Moore Ms M L Roberts Mr P Robinson (resigned 29/09/2017) Mrs S Scott Mr R Selby Mr P Shufflebotham Mr A Willis Mrs M Wilshaw
Company secretary	Mrs K Cleverley
Registered office	London Road Trent Vale Stoke on Trent Staffordshire ST4 5NT
Registered company number	07490390 (England and Wales)
Independent auditors	Hardings Chartered Accountants & Statutory Auditor 6 Marsh Parade Newcastle-under-Lyme Staffordshire ST5 1DU
Solicitors	Baker Small Solicitors Mansion 4 Bletchley Park Milton Keynes MK3 6EB

St Joseph's College Edmund Rice Academy Trust

Reference and Administrative Details for the Year Ended 31st August 2018

Bankers

Lloyds TSB
Fountain Square
Hanley
Stoke on Trent
Staffordshire
ST1 1LE

Senior Management Team

Ms M Roberts	Headteacher
Mr D McKenna	Deputy Headteacher (left 31/12/2017)
Mrs C Slattery	Deputy Headteacher
Mr S Jones	Assistant Headteacher
Mr R Christopherson	Assistant Headteacher
Miss C Appleyard	Assistant Headteacher (from 01/09/2017)
Mr E Leighton	Assistant Headteacher (from 01/09/2017)
Mrs K Cleverley	Finance Manager
Mr D Thorley	Estates Manager (left 31/08/2018)
Mrs F Uschmann	Heads PA/HR Manager

St Joseph's College Edmund Rice Academy Trust

Strategic Report for the Year Ended 31st August 2018

The trustees present their strategic report for the year ended 31st August 2018.

Principal risks and uncertainties

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

One of the Academy Trust's main uncertainties is the impact of Government funding changes and the current uncertain economic climate and financial environment. The risk of this to the Academy Trust is subject to on-going review and remains as one of the top risks on the Academy Trust's risk register.

Risk management

All major risks to which the Academy Trust is exposed have been reviewed by the Governing Body and are listed in the Academy Trust's top risk register. One of the top risks to the Academy Trust is the financial risk due to recent budget cuts, and the increasing cost pressures of salary and pension increases. This is being mitigated by continuing to ensure all possible funding streams and available income is received, and that the only expenditure allowed is that which is in the agreed budget. Systems including operating, financial and compliance controls have been established to mitigate those risks.

We continue to increase our lower school intake at year 7 every year to 150 students from 120, and have implemented a comprehensive programme of recruitment of students for our Sixth Form. Governors have determined major risks to the Academy Trust, the likelihood of those risks materialising and the potential impact of the risks.

Approved by order of the board of trustees on 13th November 2018 and signed on its behalf by:



A Franks - Chair of Governors

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2018

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31st August 2018. The trustees have adopted the provisions of 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) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Objectives and activities

The Academy Trust's objective is specifically restricted to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generally of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Roman Catholic Character offering a broad and balanced curriculum in accordance with the principals, practices and tenets of the Roman Catholic church and in accordance with the Trust Deed of the Congregation and the religious and educational philosophy of the Edmund Rice schools as set out in the Essential Elements.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategies and activities

The Academy Trust's main strategy is encompassed in its mission statement:

St Joseph's College seeks to develop the whole person. We are a Catholic School inspired in our mission by the vision of life that is found in the teaching of the Gospel, the Church, and in Jesus, who came that we 'may have life and have it to the full.'

In striving to fulfil this mission the Academy Trust continues the work of the Congregation of Christian Brothers and its founder Blessed Edmund Rice. In practice this means that it seeks to:

- Encourage, support and inspire young people and the wider school community in the journey of faith.
- Create a well-ordered community where everyone is valued and respected.
- Develop the intellectual, creative, physical, spiritual and religious potential of every pupil and encourage involvement in extra-curricular activities such as sport, music, drama and community service.
- Work in partnership with parents, parishes, local industry and commerce, and the wider community in a spirit of mutual service for the benefit of all.
- Prepare our young people for life beyond school and in particular develop personal integrity, moral values and a sense of justice so that they "act justly, love tenderly and walk humbly with God". (Micah 6:8)

The School Improvement Plan has three components:

- Maintaining and extending existing strengths.
- Addressing areas of weakness identified from self-evaluation.
- Responding to new local and national initiatives.

Public benefit

The Trustees acknowledge the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the Academy Trust are for public benefit.

The Academy Trust is specifically restricted to advance for the public benefit in education in the United Kingdom and reports annually on the ways in which it has successfully delivered in this regard.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2018

Arrangements for setting pay and remuneration of key management personnel

Pay is set by the Pay Policy for all staff and the guidance of the School Teachers' Pay and Conditions Document (STPCD).

In November, the Personnel Committee review pay of those staff reaching threshold (UPS). Under the recommendation from the Headteacher, SLT pay is reviewed on performance management and their current leadership pay range. The Headteacher's pay is reviewed following their performance review as per section 4.2 of the policy.

Section B (Leadership Group: Determination and Review of Salaries) is implemented according to the pay policy.

The Finance Manager, HR Manager and the Estates Manager are reviewed as per the pay policy under section M - support staff.

We have had no requests from staff for time off in accordance with the Trade Union (Facility Time Publications Requirements) Regulations 2017.

Fundraising

The Academy Trust carries out fundraising being mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

Achievement and performance

Review of activities

St Joseph's College, an Edmund Rice school was founded in 1932 and as an outstanding school converted to academy status in February 2011.

The school is oversubscribed at year 7 with an entry of just over 150 students, Post-16 the school accepts over 200 students into year 12 from local 11-16 schools. Total pupil numbers in September 2018 were 1,112 (1,125 in 2017).

Public examination results are outstanding. The progress 8 score for summer 2018 GCSE results was 0.23 (positive value added almost a quarter of a GCSE grade per subject). The progress 8 score for summer 2017 was 0.56 and 2016 was 0.38. There is a clear positive trend. The Maths progress 8 score is 0.16, remaining the same as it was in 2017. The English progress 8 score is 0.13, decreasing from 0.65 in 2017. At A level, the ALPS report graded students overall progress mid 5 which is in line with the national average. National indicators show that progress in both English and Maths between key stages 2 and 4 are well above the levels expected given the students' starting points.

At A level, results show the school performs in line with the national standards, with the percentage of A* to B grades at 53.7% in 2018 (national figure = 53%). In addition, 98.3% of grades were at A*-E.

To ensure that standards are continually raised the Academy Trust operates a robust self-evaluation and review programme. Senior line managers frequently and regularly monitor student level progress with subject leaders. All subject leaders are experienced in leading reviews of other departments and an annual departmental review cycle is in place. Last year, the school undertook a 'Sixth Form Review' in line with the School Improvement Plan. Senior leaders monitor the quality of teaching and learning on a termly basis through learning walks, lesson observations and work scrutinies. Good practice in teaching and learning is regularly shared at departmental and whole staff meetings. Data analysis compares the school's standards with that of the best schools nationally, and the college subscribes to national databases (e.g. ALPS and FFT) to benchmark performance at student, subject and whole school level and to provide robust and ambitious targets for individual students.

Investment policy

Where possible the Academy Trust's investment policy seeks to achieve a high quality return ensuring consideration to social and environmental issues as well as to the ethos of the school. Under current circumstances the financial constraints of the Academy Trust are limited for fund investment.

**Report of the Trustees
for the Year Ended 31st August 2018**

Key performance indicators

- All members of the community are inspired in their journey of faith by the supportive Christian ethos.
- All students regularly participate in collective worship, including mass and the sacrament of reconciliation.
- All students demonstrate a personal integrity and strong moral values.
- All students actively participate in community work and fundraising for worthwhile projects.
- Many students participate successfully in competitive sporting fixtures.
- Our students have a collective progress 8 score of 0.23.
- 98.3% of students pass their A level courses.
- Over 90% of students progress to a suitable university course, other appropriate higher education or apprenticeship.
- Some students progress to work in the Church.
- Some students continue to teacher training.
- Some students go on to attend Oxford or Cambridge.

* The information provided in the two sections above is taken from the school's ALPS report and also from the information provided to the school from the DfE's Tables Checking website.

Analysis of employee matters:

- All advertisements for new posts generate a high level of interest, large number of applicants and subsequent appointments are always of a high quality.
- Our current staff numbers are: Teaching Staff 78, with 4 trainee teachers on the SCITT program at St Joseph's College. Support Staff: 47.
- There is excellent retention of support staff.
- There is excellent development of staff to leadership roles.

This last academic year our turnover of 8 staff comprised of 3 graduate teachers (1 remained with us as an NQT) and the remaining moved to promotion or career change.

Financial review

Reserves policy

The Academy has a rolling program of improvements both to its physical and technological infrastructure. An Estates Committee is set up to manage these projects through careful planning and the Governors and Senior Leadership Team considers there is a need to maintain a level of reserves sufficient to meet these commitments.

As at 31 August 2018 the level of restricted reserves (excluding the pension reserve) was in deficit by £340,311 and unrestricted reserves were £nil. The Academy has a 5 year budget plan which shows that the Academy is expecting to return to a surplus position on restricted reserves (excluding the pension reserve) within the next 5 years. The budget will be continuously monitored to ensure that cost efficiency is maximised and a positive level of reserves is achieved as soon as is possible. Disclosure of funds in deficit is also included in Note 24 to the Financial Statements.

The deficit on the restricted LGPS pension fund as at 31 August 2018 was £1,016,000.

The Academy had tangible fixed assets with a carrying value of £12,855,725 at 31 August 2018 and at present the Academy does not have any plans to dispose of any assets.

Going concern

After making appropriate enquiries, and consideration of a 5 year budget plan, the Governing Body are satisfied that the Academy has sufficient resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2018

Financial review

The School converted from an outstanding school to Academy status on 1st February 2011. The school is a split site school comprising of the mains school site, off site playing fields, a VI form building and an additional VI form Resource Centre purchased with capital funding from the ESFA. The Academy has vacated the old VI form leased building and terminated the lease on 8th January 2018. The Academy also took on the Local Government Pension Scheme liability on conversion to Academy status.

The Academies principal income is from the ESFA in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2018 and associated expenditure are shown in the Statement of Financial Activities.

The Academy also received grants from the ESFA for fixed asset expenditure during this period. In accordance with the Accounts Direction such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2018 incoming resources were £536,763 of unrestricted income, £6,290,073 of restricted income (including general annual grant of £4,896,125) and £1,063,580 of restricted fixed asset grant income relating to the construction of a new VI form facility. Total expenditure was £7,583,450. The net movement in funds during the year ended 31 August 2018 was £nil in unrestricted funds, a deficit of £26,475 in restricted general funds and a surplus of £835,441 in restricted fixed asset funds.

After these movements the funds carried forward at 31 August 2018 were £nil unrestricted funds, £340,311 deficit in restricted income funds, £1,016,000 of pension reserve and £12,399,282 of restricted fixed asset funds. The Academy has a 5 year budget plan which shows that the Academy is expecting to reverse the deficit in restricted income funds within the next 5 years.

**Report of the Trustees
for the Year Ended 31st August 2018**

**Future plans
Teaching School**

As an OFSTED rated outstanding academy with a strong track record of providing school-to-school support, Initial Teacher Training, CPD and succession planning, we continue to be designated by the government as a National Teaching School, linked to a NLE within the Edmund Rice Office. This means that we will continue with the support of the NCTL, to work with our own staff and those of other schools both within and outside our Alliance to improve the quality of teaching and system leadership in a number of areas. The following work is undertaken, evaluated via NCTL's collaborative fund evaluation where NCTL funds successful bids for projects or provides annual funding at approximately £46,000:

School-to-school support (bespoke and dependent on both need and capacity)

- Outreach secondary teaching and leadership at both middle and senior leadership by outstanding practitioners, in the form of direct deployment or coaching & mentoring, and development of system leadership.
- NLE support to other schools/headteachers, department/whole school reviews and SLE activity supporting school or department action plans in schools.
- Developing SLE networks to coordinate subject leader networks across SASCAL (Stoke secondaries).

CPD (Continuing Professional Development)

- Bespoke INSET focusing on teaching and learning workshops lead by our best practitioners.
- Sharing good practice with other schools on school improvement from SLT/middle leaders.
- CPD programmes, where there is demand.
- Stoke MEP for SASCAL maths departments.
- Subject knowledge development courses in conjunction with Universities and TSAs.
- Middle and senior leadership development programmes to include NPQML and NPQSL with St Joseph's College facilitators.
- NQT Appropriate Body for primary and secondary NQTs regionally and providing CPD sessions within SASCAL to enhance NQT Induction led by St Joseph's College practitioners.

ITT (Initial Teacher Training)

- St Joseph's College Stoke Secondary Partnership has, as an accredited SCITT (School Centred Initial Teacher Training), running ITT (Initial Teacher Training) for cohorts of graduate trainees in local and regional schools; trainees gain QTS whilst following our school direct training programme. The SCITT is a separate department within the Teaching School, funded partly by NCTL for salaried trainees, and partly by The SLC (Student Loans Company) at a legal rate set by the SCITT for non-salaried trainees, and evaluated by NCTL and by Ofsted in 2-part inspections.
- Outstanding Professional and Subject Mentors for our SCITT.
- HMI mocksted of SCITT and external moderation of SCITT judgements of trainee progress are highly successful.
- Successful NCTL audit of SCITT governance and finance.
- 100% of trainees pass training year as exceeding minimum expectations or outstanding.
- Over 95% of trainees gain NQT positions whilst in their training year.
- Supporting other schools' ITT needs e.g. Teach First placements, Assessment Only Routes to QTS, and primary trainee placements.

SLE (Specialist Leaders of Education)

- Recruiting, deploying and quality assuring the outreach work of outstanding leaders from within and outside our school in other schools to carry out work including CPD, leadership development, moderating controlled assessment, department review, SCITT training sessions, buddying new middle leaders and SLTs, levelling moderation, coaching and mentoring of ITT/NQTs including Appropriate Body remediation, department improvement.
- Joint learning walks to support teachers/leaders at all levels in quality assuring teaching and learning.
- SLEs and Aspirant SLEs carrying outreach work and leading SCITT sessions/research and development projects.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2018

Research and Development (springing from the above) and engaging in national projects (below)

- In 2014-15; Research Lesson Study national pilot, working with the NCTL, CUREE and Oxford University to improve literacy and 'close the gap' in attainment for identified students.
- In 2015-16/16-17: SSAT Embedding Formative Assessment project, working with whole staff in 'learning communities' to drive CPD in teaching and learning.
- In 2017-18: City Opportunity Area bid for a science excellence partnership, utilising our SLEs.

St Joseph's College will continue to work to maintain its outstanding ratings from Ofsted and its outstanding academic success whilst securing its place in the national development of education including teaching school status and potential academy sponsorship. Our key aims will remain: to provide young people with an education which prepares them for life beyond school so that they are able to be the leaders of tomorrow, acting justly and with integrity and moral purpose.

Structure, governance and management

Constitution

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Academy Trust is known as St Joseph's College Edmund Rice Academy Trust and is a company limited by guarantee and an exempt charity. The Academy Trust's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The statutory directors act as the trustees for the charitable activities of Companies Act 2006. The statutory directors are also the directors of the Academy Trust and with others appointed and elected in accordance with the Articles of Association comprise the Board of Governors of the Academy Trust. The Governors/Directors are also Trustees for the purpose of charity law.

The Members of the Academy Trust comprises:

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

- a) Up to three members appointed by the Congregation; and
- b) The Chairman of the Governors;
- c) 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- d) Any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

During the year ended 31 August 2018 there was no person appointed by the Secretary of State.

The Governing Body meets regularly and is advised by a range of sub-committees that include the Audit, Standards & Support, Admission and Resources. Committees operate under terms of reference approved by the Governing Body and enable the roles and responsibilities of the Governing Body to be fulfilled through close collaboration with the Senior Leadership Team.

Members' liability

The liabilities of the Members of the Academy Trust are limited. Every Member undertakes to contribute such amounts as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member.

Trustees' Indemnities

The Academy Trust's insurers indemnify against any claims up to £1,000,000 in respect of civil liability which arises out of the conduct of the Insured in their personal capacity as a Director, Governor or Officer of the Academy Trust. The cost of this is £425.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2018

Principal activities

The principal object and activity of the Academy Trust is to provide education for boys and girls between the ages of 11 and 18, who are selected partly by academic merit and by faith, sibling and distance criteria.

In accordance with the articles of association the Academy Trust has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies, amongst other things, the basis for admitting pupils to the Academy Trust and that the Academy Trust will provide a broad and balanced curriculum.

The current priorities for the Academy Trust during the year ended 31 August 2018 are summarised below:

STRIVING FOR EXCELLENCE (OUTCOMES)

- To ensure outstanding progress for all.
- To enhance the effectiveness of the Sixth Form.

EDUCATION AS A CHRISTIAN CALLING (TEACHING, LEARNING AND ASSESSMENT)

- To refine our approaches to learning across all key stages.
- To build upon our culture of evidence informed practices.

EDUCATION FOR JUSTICE (PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE)

- To nurture the personal growth of all within our Catholic community.
- To ensure the highest levels of safety for all.

BUILDING A CHRISTIAN COMMUNITY (LEADERSHIP)

- To broaden leadership opportunities for staff.

The Academy Trust will conduct the school's business in accordance with the highest standards of selflessness, integrity, objectivity, accountability, openness, honesty and leadership thereby complying with all appropriate statutory and curriculum requirements. Furthermore the Academy Trust will abide by the core principles of good governance for public services:

- 1) Engaging with stakeholders and making accountability real.
- 2) Performing effectively in clearly defined functions and roles.
- 3) Promoting values and demonstrating good governance through behaviour.
- 4) Focusing on purpose and outcomes.
- 5) Developing the capacity and capability for the governing body and senior management to be effective.
- 6) Taking informed transparent decisions and managing risk.

**Report of the Trustees
for the Year Ended 31st August 2018**

Recruitment and appointment or election of new trustees

The Academy Trust has the following Governors and methods of appointment:

- a) up to 11 Governors appointed,
- b) up to 4 parent Governors (elected),
- c) up to 3 staff Governors (elected),
- d) the Principal,
- e) any additional Governors,
- f) any further Governors,
- g) up to 4 Co-opted Governors (appointed).

Term of office

The Members of the Governing Body of the predecessor school as at 31 January 2011 shall be the initial Governors and their terms of office shall expire as and when they would have expired had they remained as Governors of the predecessor school. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-elected.

Organisational structure

The organisation structure consists of three levels: the Governors (three of whom are statutory directors), Senior Leadership Team and the Middle Leaders (Subject and Year Heads).

The aim of the leadership and management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governing Body, lead effectively by the Chair of Governors, are responsible for setting policies, adopting the annual School Improvement Plan and budgets, making major decisions about the direction of the academy, capital projects and senior staff appointments. The Governing Body delegates powers to various sub committees to monitor and make decisions. The day to day management and operation of the Academy Trust is devolved to the Senior Leadership Team which comprises of the Headteacher (who acts as the Accounting Officer), two Deputy Heads, four Assistant Heads, Finance Manager, HR Manager and Estates Manager. The Senior Leadership Team is responsible for the authorisation of spending within the agreed budgets as set by the Governors, and some budgets are devolved to middle leaders with limits that the Senior Leaders must countersign. The Senior and Middle Leaders are also responsible for organising the teaching and support staff, facilities and pupils across the curriculum and pastoral sectors and for all stages of the Academy Trust.

Policies and procedures adopted for the induction and training of Trustees

Upon their appointment, Governors are provided with the policies and a selection of papers that bring them up to date with current business and with issues of major importance. There is also an induction session. Some training opportunities are provided by external organisations.

Connected organisations, including related party relationships

There is a related, but wholly independent, charitable undertaking; St Joseph's Parent Teacher & Friends Association which is the Parents' association.

Auditors

The auditors, Hardings, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 13th November 2018 and signed on its behalf by:



A Franks - Chair of Governors

St Joseph's College Edmund Rice Academy Trust

Governance Statement for the Year Ended 31st August 2018

Scope of Responsibility

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
Mr N Atkins	2	3
Br J Catterson	2	3
Dr J Challiner	2	3
Mrs L Cooke	1	3
Mr J Devine	3	3
Mr N Dodd	2	3
Mr S Flather	3	3
Mr A Franks	3	3
Mr G Higgins (resigned 22/10/2017)	0	1
Mrs M Hilton	2	3
Mrs C Machin	2	3
Ms S Moore	1	3
Ms M L Roberts	3	3
Mrs S Scott	3	3
Mr R Selby	2	3
Mr P Shufflebotham	3	3
Mr A Willis	2	3
Mrs M Wilshaw	3	3

The Governing Body at St Joseph's College strive to ensure that their governance is effective in driving forward and delivering the objectives of the academy by showing a good understanding of the academy, its structure, its aims and how it is going to meet those aims. Governance is transparent, robust and shows excellent practice.

The Governing Body has a diverse governance board with a wide range of skills and experience. Many are key executives in large organisations and are assigned to different committees depending on skills and experience.

From September 2017 the Governing Board implemented a more streamlined committee structure, which sets out a good balance throughout the year and is being continually reviewed to ensure that the structure meets the demands required of the Governing Board. Committee meetings are structured to allow for timely strategic decisions for the business of the Academy and an annual governor's plan is in place to support each committee.

The Chair and one of the Vice Chairs have completed the NCTL Governors training and undertaken the 360 degrees evaluation and two further Governors have completed the Governor Mark training.

**Governance Statement
for the Year Ended 31st August 2018**

Governors have development days with the Senior Leadership Team to discuss and review performance and discuss future improvements and objectives. All members of the Governing Body have completed the National Governors' Association (NGA) Skills Audit and received refresher training from the NGA on Governing Body Roles and Responsibilities. They have also undertaken whole Governing Body training on Safeguarding and THE PREVENT Duty. In a previous year a HMI Inspector attended and presented at a Governor away day on how to be an Outstanding Academy.

An OFSTED inspection and Diocesan OFSTED inspection rated the Academy outstanding.

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to:

Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Atkins	2	4
Dr J Challiner	2	4
Mr S Flather	4	4
Mr A Franks	2	4
Ms S Moore	3	4
Ms M Roberts	4	4
Mrs S Scott	4	4

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to:

Review and monitor all aspects of the operations and performance of the Academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Devine	1	2
Ms N Dodd	1	2
Mr R Selby	1	2
Mr P Shufflebotham	2	2
Ms M Roberts	2	2

* Mr N Atkins and Mrs S Scott attended the 10th July Audit meeting, so that it was quorate.

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by better purchasing. Services and contracts are reviewed annually or at the end of each contract to ensure value for money. Tendering is undertaken wherever appropriate and consideration given to assessment of the costs over longer terms, purchasing v leasing etc. where necessary. Economies of scale, bulk purchases are considered where appropriate to ascertain best price.

**Governance Statement
for the Year Ended 31st August 2018**

Improving Educational Results

Progress - The progress 8 score for summer 2018 GCSE results was 0.23 (positive value added almost a quarter of a GCSE grade per subject). The progress 8 score for summer 2017 was 0.56 and 2016 was 0.38. The trend is positive. Progress in Maths has remained stable this year at 0.16, and it was the same in 2017. The English progress 8 score is 0.13, decreasing from 0.65 in 2017. At A level, the ALPS report graded students' overall progress as mid 5 on the ALPS thermometer, which is in line with national average and has remained stable.

Attainment - In the summer of 2018, the school's Attainment 8 score was 57.94. The percentage of students scoring 7-9 in English language was 29%, 5-9 was 71% and 4-9 in English language was 92%. In English literature the percentage of students scoring 7-9 was 28%, 5-9 was 69% and 4-9 was 88%. As for maths, the percentage of students achieving 7-9 was 30%, 5-9 was 73% and 4-9 was 95%.

Attainment at A level was above the national average in the summer of 2018. 53.7% of grades were A* to B (53% nationally) and 98.3% of grades were A* to E (98% nationally).*

Targeted Improvement and Focus on Individual Pupils/Groups

Pupil premium students:

We had nine pupil premium students in year 11 in the summer of 2018. These students achieved a progress 8 score of 0.06, which is positive, yet below the progress 8 score for all students at St Joseph's.

Students with special educational needs:

We had eight students in year 11 in the summer of 2018 who were receiving SEN support. The students have an average Attainment 8 score of 51.2.*

* The information provided in the two sections above is taken from the school's ALPS report and also from the information provided to the school from the DfE's Tables Checking website.

Collaboration

- Keele University, Institute for Physics other TSAs and NCTL delivering in-house training for other local schools to support leadership development and subject knowledge enhancement in maths, physics and MFL.
- NPQML facilitators from St Joseph's College TSA, with Lawrence Sherriff as licence holder, successful in taking cohorts of local middle leaders through the NPQML and NPQSL NCTL programme.
- Providing mentor training to city schools for Initial Teacher Training.
- CPD courses where commissioned, for example: Striving for Excellence.
- Maintaining a SCITT with ITT accreditation for Graduate Trainees across Stoke, Staffordshire, Cheshire and Walsall LA.
- Running NQT training & Induction verification for the city, as an Appropriate Body.
- SLEs chairing SASCAL subject networks, linked to LA initiatives.
- Partner schools' Senior Leaders sit on the SCITT Steering Group.
- Advertising SCITT trainee profiles widely to ensure a pool of talent for local schools to recruit from and funded school experience programmes for prospective trainees.
- Engagement with research-based projects from other schools and networks to support CPD in/out of school.
- Support of schools placed via deployment funded action plans to include outreach of SLEs and middle & senior leaders from timetable capacity or with associated internal back-fill from our staff.
- SLE designation and training for city-wide SLEs within the Teaching School Alliance.
- SLEs provide CPD for City School leaders and teachers e.g. Collaborative TSAs English project, Stoke MEP, reviews, coaching.
- Director of Training school supports other TSAs and SASCAL e.g. Primary PTSA board member, SSIG member, SLEs deployed via LA commission.

**Governance Statement
for the Year Ended 31st August 2018**

Planning of new initiatives

- Teaching School and SCITT budgets are ever evolving, and are set and monitored with income and expenditure shown.
- Cost-effective charging policy for CPD, including tariff for SLE/NLE days, SLA for school-to-school support of secondary schools informs NCTL bids for funding and charging to individual schools and LAs to allow for the following costs to be met: outreach support and teaching, facilitator training, CPD licences, planning for outreach.
- Cost effective charging of tuition fees and school fees for SCITT QTS programme, with all commissioned work from St Joseph's College and other delivery partners funded from SCITT accounts e.g. training sessions, research and development activity, quality assurance visits and assessment, SCITT leadership and administration.
- Development of primary arm of the SCITT in collaboration with primary TSAs.

Financial

All services and contracts are regularly reviewed to ensure that the Academy Trust always receives good value for money and that all goods are fit for purpose. The Academy Trust always ensures the right balance between the cost, quality and timeliness of purchases. We have reduced costs by reviewing all services and contracts, and by renegotiating costs of existing suppliers or renegotiating new contracts without reducing quality or service. All procurement for goods and services are individually assessed and a decision is made in accordance to the agreed guidelines in the academy's procurement policy. The Academy Trust always seeks possibilities to reduce costs of external services by joining forces with other schools or academies. Examples of this are: our insurance costs which we benefit from good value as we purchase via a broker with three other academies, and our HR provider who we secured a good deal jointly with 2 other schools in the same local authority. The Academy Trust has provided outreach work to other schools and academies to generate additional income as well as making the sports hall available for community use. The Academy Trust benchmarks information with other comparator academies on the DfE website as well as internal data from previous years. Our overall performance compares exceptionally well bringing together information about funding and performance to understand and demonstrate the exceptional quality of service we deliver for the funding we receive per pupil.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Joseph's College Edmund Rice Academy Trust for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

**Governance Statement
for the Year Ended 31st August 2018**

The Risk and Control Framework

The Governing Body has considered the needs for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed G Higgins, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, G Higgins, the RO, reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The schedule of reporting has been delivered in line with the YPLA's requirements and there have been no material control issues arising as a result of the Responsible Officer's work.

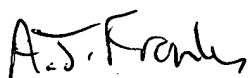
Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 13th November 2018 and signed on its behalf by:



A Franks - Chair of Governors



Ms M L Roberts - Accounting Officer

St Joseph's College Edmund Rice Academy Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31st August 2018**

As accounting officer of St Joseph's College Edmund Rice Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Ms M L Roberts - Accounting Officer

13th November 2018

St Joseph's College Edmund Rice Academy Trust

Statement of Trustees Responsibilities for the Year Ended 31st August 2018

The trustees (who act as governors of St Joseph's College Edmund Rice Academy Trust 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust 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 academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust 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 academy trust 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 academy trust 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.

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 13th November 2018 and signed on its behalf by:



A Franks - Chair of Governors

Report of the Independent Auditors to the Members of St Joseph's College Edmund Rice Academy Trust

Opinion

We have audited the financial statements of St Joseph's College Edmund Rice Academy Trust (the 'academy trust') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 academy trust's affairs as at 31st August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

Report of the Independent Auditors to the Members of St Joseph's College Edmund Rice Academy Trust

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust 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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



TIMOTHY R MCNEAL FCA (Senior Statutory Auditor)
for and on behalf of Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

13th November 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
St Joseph's College Edmund Rice Academy Trust
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 College Edmund Rice Academy Trust during the period 1st September 2017 to 31st 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 College Edmund Rice Academy Trust 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 College Edmund Rice Academy Trust 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 College Edmund Rice Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Joseph's College Edmund Rice Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st 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 1st September 2017 to 31st 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 academy trust's income and expenditure.

Conclusion

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

Hardings
Chartered Accountants
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

13th November 2018

St Joseph's College Edmund Rice Academy Trust

Statement of Financial Activities
for the Year Ended 31st August 2018

				31/8/18	31/8/17
	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £
Income and endowments from					
Donations and capital grants	2	35,683	1,063,580	-	1,099,263
Charitable activities	6				
Funding for the academy's educational operations	3	352,248	-	5,697,835	6,050,083
Teaching school		-	-	592,238	592,238
Other trading activities	4	143,341	-	-	143,341
Investment income	5	5,491	-	-	5,491
Total		536,763	1,063,580	6,290,073	7,890,416
Expenditure on					
Raising funds	8	-	-	4,498	4,498
Charitable activities	9				
Academy's educational operations		536,763	236,391	6,325,398	7,098,552
Teaching school		-	-	480,400	480,400
Total	7	536,763	236,391	6,810,296	7,583,450
Net income/(expenditure)		-	827,189	(520,223)	306,966
Transfers between funds	24	-	8,252	(8,252)	-
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	-	502,000	502,000
Net movement in funds		-	835,441	(26,475)	808,966
Reconciliation of funds					
Total funds brought forward		-	11,563,841	(1,329,836)	10,234,005
Total funds carried forward		-	12,399,282	(1,356,311)	11,042,971

The notes form part of these financial statements

St Joseph's College Edmund Rice Academy Trust

**Balance Sheet
At 31st August 2018**

				31/8/18	31/8/17
	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £
Fixed assets					
Tangible assets	16	-	12,855,725	-	12,855,725
Current assets					
Debtors	17	-	-	146,948	146,948
Investments	18	-	-	-	-
Cash at bank and in hand		-	-	487,616	487,616
		-	-	634,564	634,564
Creditors					
Amounts falling due within one year	19	-	(456,443)	(725,683)	(1,182,126)
Net current assets/(liabilities)		-	(456,443)	(91,119)	(547,562)
Total assets less current liabilities		-	12,399,282	(91,119)	12,308,163
Creditors					
Amounts falling due after more than one year	20	-	-	(249,192)	(249,192)
Provisions for liabilities	22	-	-	-	-
Pension liability	25	-	-	(1,016,000)	(1,016,000)
Net assets		-	12,399,282	(1,356,311)	11,042,971
Funds	24				
Unrestricted funds		-	-	-	-
Restricted funds		-	-	11,042,971	10,234,005
Total funds		-	-	11,042,971	10,234,005

The financial statements were approved by the Board of Trustees on 13th November 2018 and were signed on its behalf by:

A. J. Franks

A Franks – Chair of Governors

The notes form part of these financial statements

St Joseph's College Edmund Rice Academy Trust

**Cash Flow Statement
for the Year Ended 31st August 2018**

	Notes	31/8/18 £	31/8/17 £
Cash flows from operating activities:			
Cash generated from operations	30	(767,257)	(2,698,786)
Interest element of hire purchase and finance lease rental payments		<u>(14,090)</u>	<u>(14,848)</u>
Net cash provided by/(used in) operating activities		<u>(781,347)</u>	<u>(2,713,634)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,528,275)	(2,316,686)
Capital grants from DfE/ESFA		1,063,580	4,451,739
Purchase of investments		-	(300,000)
Sale of investments		1,200,000	-
Interest received		<u>5,491</u>	<u>12,298</u>
Net cash provided by/(used in) investing activities		<u>740,796</u>	<u>1,847,351</u>
Cash flows from financing activities:			
Capital repayments in year		<u>(15,910)</u>	<u>(15,152)</u>
Net cash provided by/(used in) financing activities		<u>(15,910)</u>	<u>(15,152)</u>
Change in cash and cash equivalents in the reporting period		<u>(56,461)</u>	<u>(881,435)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>544,077</u>	<u>1,425,512</u>
Cash and cash equivalents at the end of the reporting period		<u><u>487,616</u></u>	<u><u>544,077</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st August 2018**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the academy trust, 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 College Edmund Rice Academy Trust meets the definition of a public benefit entity under FRS 102.

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 cause significant doubt on the ability of the Trust 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.

Critical accounting judgements and key sources of estimation uncertainty

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The management have also estimated the basis for determining the allocation of expenditure between direct and support costs.

The Trustees have considered the treatment of land and buildings occupied by the academy. On the conversion to academy status the Trust entered into an agreement to occupy the premises at London Road, Stoke on Trent for a period of 125 years. This lease required the payment of £600,000 over the first 20 years of the agreement and after consideration the Trustees determined that the lease should be treated as a finance lease. Therefore the property at London Road has been recognised as a leasehold interest in the academy's balance sheet.

The Trustees recognised the related finance lease on conversion as the net present value of the minimum lease payments of £600,000 using a discount rate of 5%.

Income

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

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

1. Accounting policies - continued

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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

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

Charitable activities

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

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

1. Accounting policies - continued

Tangible fixed assets

All assets costing more than £1,000 are capitalised 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 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
L/Term Leasehold land	- Nil
L/Term Leasehold buildings	- over 50 years
Motor vehicles	- over 5 years
Fixtures and fittings	- over 4-5 years
Computer equipment	- over 4 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 incorporating income and expenditure account.

Financial instruments

The Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments. Debt instruments measured at amortised cost are detailed in note 29. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors and other creditors are financial instruments. Debt instruments measured at amortised cost are detailed in note 29. 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.

Taxation

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

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

1. Accounting policies - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating income and expenditure account 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.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

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 28.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Donations	35,683	-	35,683	68,484
Grants	-	1,063,580	1,063,580	2,674,810
	<u>35,683</u>	<u>1,063,580</u>	<u>1,099,263</u>	<u>2,743,294</u>

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

	31/8/18 £	31/8/17 £
Condition Improvement Fund	1,017,735	2,674,810
Other capital grants	45,845	-
	<u>1,063,580</u>	<u>2,674,810</u>

3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Other activities for generating funds	341,936	-	341,936	329,226
Other income	10,312	700,453	710,765	759,874
Grants	-	4,997,382	4,997,382	5,440,621
	<u>352,248</u>	<u>5,697,835</u>	<u>6,050,083</u>	<u>6,529,721</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	4,896,125	4,896,125	5,086,541
Other DfE/ESFA Grants	-	50,889	50,889	145,764
	-	4,947,014	4,947,014	5,232,305
Other government grant				
Local Authority	-	50,368	50,368	208,316
	-	4,997,382	4,997,382	5,440,621

St Joseph's College Edmund Rice Academy Trust

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

4. Other trading activities

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Other income	<u>143,341</u>	<u>-</u>	<u>143,341</u>	<u>34,924</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Investment income	<u>5,491</u>	<u>-</u>	<u>5,491</u>	<u>12,298</u>

6. Income from charitable activities

	Activity	31/8/18 £	31/8/17 £
Other teaching school income	Teaching school	37,285	99,779
NCTL Grants	Teaching school	<u>554,953</u>	<u>429,290</u>
		<u>592,238</u>	<u>529,069</u>

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

	31/8/18 £	31/8/17 £
General Annual Grant(GAG)	4,896,125	5,086,541
Other DfE/ESFA Grants	50,889	145,764
Local Authority	50,368	208,316
National College of Teaching & Learning	<u>554,953</u>	<u>429,290</u>
	<u>5,552,335</u>	<u>5,869,911</u>

7. Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31/8/18 Total £	31/8/17 Total £
Raising funds					
Costs of fundraising	-	-	4,498	4,498	32,467
Charitable activities					
Academies educational operations					
Direct costs	4,086,940	188,642	773,135	5,048,717	4,919,844
Allocated support costs	<u>668,537</u>	<u>1,088,737</u>	<u>292,561</u>	<u>2,049,835</u>	<u>2,327,947</u>
	<u>4,755,477</u>	<u>1,277,379</u>	<u>1,070,194</u>	<u>7,103,050</u>	<u>7,280,258</u>

St Joseph's College Edmund Rice Academy Trust

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

7. Expenditure - continued

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

	31/8/18	31/8/17
	£	£
Depreciation - owned assets	162,961	132,244
- leased assets	73,369	122,671
Deficit on disposal of fixed asset	61	423
Auditors' remuneration - audit	6,250	6,400
Auditors' remuneration - other services	3,500	3,500
Operating lease rentals	64,431	91,201
Gifts made by the trust	-	1,574
Dilapidations	-	97,024
	<u>-</u>	<u>97,024</u>

8. Raising funds

Costs of fundraising

	Unrestricted funds	Restricted funds	31/8/18 Total funds	31/8/17 Total funds
	£	£	£	£
Cost of raising funds	-	4,498	4,498	32,467
	<u>-</u>	<u>4,498</u>	<u>4,498</u>	<u>32,467</u>

9. Charitable activities costs

	Direct costs (See note 10)	Support costs (See note 11)	Totals
	£	£	£
Teaching school	426,442	53,958	480,400
Academy's educational operations	5,048,717	2,049,835	7,098,552
	<u>5,475,159</u>	<u>2,103,793</u>	<u>7,578,952</u>

St Joseph's College Edmund Rice Academy Trust

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

10. Direct costs of charitable activities

	Academy's educational operations £	Teaching school £	Total 2018 £	Total 2017 £
Educational supplies	229,384	34,557	263,941	192,398
Examination fees	115,927	5,354	121,281	161,224
Staff development	63,051	3,511	66,562	43,667
Other direct costs	337,733	264,338	602,071	357,792
Wages and salaries	3,178,041	94,543	3,272,584	3,442,336
National insurance	335,158	10,174	345,332	350,788
Pension cost	553,093	13,965	567,058	568,013
Depreciation	236,330	-	236,330	254,915
	<u>5,048,717</u>	<u>426,442</u>	<u>5,475,159</u>	<u>5,371,133</u>
At 31 August 2017	<u>4,919,844</u>	<u>451,289</u>	<u>5,371,133</u>	

11. Support costs

	Academy's educational operations £	Teaching school £	Total 2018 £	Total 2017 £
Pension scheme interest cost	35,000	-	35,000	30,000
Staff costs	832,536	49,892	882,428	789,062
Recruitment and support	10,885	546	11,431	17,966
Maintenance of premises and equipment (2017 includes dilapidations of £97,024)	20,784	-	20,784	173,244
Equipment rental	13,515	-	13,515	13,047
Technology costs	66,766	-	66,766	80,325
Cleaning	142,694	1,262	143,956	155,047
Rent and rates	67,938	-	67,938	115,045
Insurance	55,061	-	55,061	56,591
Transport and security	28,858	-	28,858	43,001
Catering	188,754	-	188,754	203,272
Finance lease interest payable	14,090	-	14,090	14,848
School trips	372,467	-	372,467	473,399
Other support costs	188,421	2,258	190,679	207,776
Governance costs	12,066	-	12,066	11,085
	<u>2,049,835</u>	<u>53,958</u>	<u>2,103,793</u>	<u>2,383,708</u>
At 31 August 2017	<u>2,327,947</u>	<u>55,761</u>	<u>2,383,708</u>	

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

12. Trustees' remuneration and benefits

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

	2018 £	2017 £
Remuneration		
Ms R Maguire, Principal (retired 31 December 2016)	-	45,000 - 50,000
Ms M L Roberts, Principal	90,000 - 95,000	55,000 - 60,000
Mrs C Machin, Staff Governor	25,000 - 30,000	25,000 - 30,000
Mrs L Cooke, Staff Governor	30,000 - 35,000	30,000 - 35,000
Mr A Willis, Staff Governor	45,000 - 50,000	45,000 - 50,000
Employer's pension contributions		
Ms R Maguire, Principal (retired 31 December 2016)	-	5,000 - 10,000
Ms M L Roberts, Principal	15,000 - 20,000	5,000 - 10,000
Mrs C Machin, Staff Governor	5,000 - 10,000	5,000 - 10,000
Mrs L Cooke, Staff Governor	5,000 - 10,000	5,000 - 10,000
Mr A Willis, Staff Governor	5,000 - 10,000	5,000 - 10,000

Trustees' expenses

During the period ended 31 August 2018, no trustees received any reimbursement of expenses (2017: £nil).

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

13. Staff costs

	31/8/18 £	31/8/17 £
Wages and salaries	3,655,529	3,949,389
Social security costs	374,942	387,234
Operating costs of defined benefit pension schemes	676,906	811,588
Apprenticeship levy	<u>4,830</u>	<u>1,988</u>
	4,712,207	5,150,199
Staff restructuring costs	43,270	-
Long service awards	<u>275</u>	<u>-</u>
	<u><u>4,755,752</u></u>	<u><u>5,150,199</u></u>

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

	31/8/18	31/8/17
Teachers	61	71
Administration and support	54	54
Management	<u>10</u>	<u>10</u>
	<u><u>125</u></u>	<u><u>135</u></u>

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

	31/8/18	31/8/17
£60,001 - £70,000	<u><u>4</u></u>	<u><u>4</u></u>

Four of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £47,255 (2017: £41,966).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £676,644 (2017: £801,348).

14. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £425 (2017: £1,146). The cost of this insurance is included in the total insurance cost.

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

15. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted fixed asset funds £	Restricted funds £	Total funds £
Income and endowments from				
Donations and capital grants	68,484	2,674,810	-	2,743,294
Charitable activities				
Funding for the academy's educational operations	339,486	-	6,190,235	6,529,721
Teaching school	-	-	529,069	529,069
Other trading activities	34,924	-	-	34,924
Investment income	12,298	-	-	12,298
Total	455,192	2,674,810	6,719,304	9,849,306
Expenditure on				
Raising funds	32,467	-	-	32,467
Charitable activities				
Academy's educational operations	-	254,915	6,992,876	7,247,791
Teaching school	-	-	507,050	507,050
Total	32,467	254,915	7,499,926	7,787,308
Net income/(expenditure)	422,725	2,419,895	(780,622)	2,061,998
Transfers between funds	(596,657)	871	595,786	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	211,000	211,000
Net movement in funds	(173,932)	2,420,766	26,164	2,272,998
Reconciliation of funds				
Total funds brought forward	173,932	9,143,075	(1,356,000)	7,961,007
Total funds carried forward	-	11,563,841	(1,329,836)	10,234,005

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

16. Tangible fixed assets

	Freehold property £	Long leasehold £	Assets under construction £
Cost			
At 1st September 2017	3,085,793	6,695,229	2,745,713
Additions	-	-	1,474,177
Disposals	-	-	-
Transfer of assets brought into use	<u>4,219,890</u>	<u>-</u>	<u>(4,219,890)</u>
At 31st August 2018	<u>7,305,683</u>	<u>6,695,229</u>	<u>-</u>
Depreciation			
At 1st September 2017	246,096	807,584	-
Charge for year	115,273	73,369	-
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31st August 2018	<u>361,369</u>	<u>880,953</u>	<u>-</u>
Net book value			
At 31st August 2018	<u>6,944,314</u>	<u>5,814,276</u>	<u>-</u>
At 31st August 2017	<u>2,839,697</u>	<u>5,887,645</u>	<u>2,745,713</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1st September 2017	230,117	39,710	202,844	12,999,406
Additions	12,075	-	42,023	1,528,275
Disposals	(1,919)	-	-	(1,919)
Transfer of assets brought into use	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st August 2018	<u>240,273</u>	<u>39,710</u>	<u>244,867</u>	<u>14,525,762</u>
Depreciation				
At 1st September 2017	191,880	26,194	163,811	1,435,565
Charge for year	15,229	3,119	29,340	236,330
Eliminated on disposal	<u>(1,858)</u>	<u>-</u>	<u>-</u>	<u>(1,858)</u>
At 31st August 2018	<u>205,251</u>	<u>29,313</u>	<u>193,151</u>	<u>1,670,037</u>
Net book value				
At 31st August 2018	<u>35,022</u>	<u>10,397</u>	<u>51,716</u>	<u>12,855,725</u>
At 31st August 2017	<u>38,237</u>	<u>13,516</u>	<u>39,033</u>	<u>11,563,841</u>

St Joseph's College Edmund Rice Academy Trust

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

17. Debtors: amounts falling due within one year

	31/8/18	31/8/17
	£	£
Trade debtors	15,793	1,475
Other debtors	20,532	16,421
VAT	32,340	227,194
Prepayments and accrued income	<u>78,283</u>	<u>83,843</u>
	<u>146,948</u>	<u>328,933</u>

18. Current asset investments

	31/8/18	31/8/17
	£	£
Fixed term deposit	<u>-</u>	<u>1,200,000</u>

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

19. Creditors: amounts falling due within one year

	31/8/18	31/8/17
	£	£
Hire purchase (see note 21)	16,705	15,910
Trade creditors	141,682	102,332
Social security and other taxes	1,076	1,076
Other creditors	3,996	25,171
Accruals and deferred income	<u>1,018,667</u>	<u>1,576,436</u>
	<u>1,182,126</u>	<u>1,720,925</u>

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	958,201	1,619,386
Resources deferred during the year	703,465	958,201
Amounts released from previous years	<u>(958,201)</u>	<u>(1,619,386)</u>
Deferred income at 31 August 2018	<u>703,465</u>	<u>958,201</u>

Creditors includes £703,465 (2017: £958,201) of income which has been deferred into the following year due to the timing of the academy's entitlement to the income. There are no unfulfilled conditions attached to this income at the balance sheet date. This includes the following balances in respect of restricted funds:

	2018	2017
	£	£
SCITT	33,457	-
Rates income	12,684	18,609
Capital devolved funding	24,413	25,229
DfE Capital Purchase - Stone House	-	373,333
MEP Maths Hub	407,619	362,423
CIF Funding	120,472	115,581
Paid Internships	1,642	-
Pupil Premium funding	40,137	-
Self-funding trips	61,313	61,524
DT Consumables	<u>1,728</u>	<u>1,502</u>
Total	<u>703,465</u>	<u>958,201</u>

20. Creditors: amounts falling due after more than one year

	31/8/18	31/8/17
	£	£
Hire purchase (see note 21)	<u>249,192</u>	<u>265,897</u>

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

21. Leasing agreements

	31/8/18 £	31/8/17 £
Net obligations repayable:		
Within one year	16,705	15,910
Between one and five years	75,601	72,001
In more than five years	<u>173,591</u>	<u>193,896</u>
	<u>265,897</u>	<u>281,807</u>

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

	31/8/18 £	31/8/17 £
Within one year	20,000	45,577
Between one and five years	<u>6,840</u>	<u>16,519</u>
	<u>26,840</u>	<u>62,096</u>

22. Provisions for liabilities

	31/8/18 £	31/8/17 £
Provisions for dilapidations	<u>-</u>	<u>97,024</u>

23. Members' liability

The liabilities of the Members of the Trust are limited. Every Member undertakes to contribute such amounts as may be required (not exceeding £10) to the Trust's assets if it should be wound up while he or she is a member.

24. Movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Restricted funds				
General Annual Grant (GAG)	(10,836)	(321,223)	(8,252)	(340,311)
Pension deficit	(1,319,000)	303,000	-	(1,016,000)
Restricted fixed asset funds	<u>11,563,841</u>	<u>827,189</u>	<u>8,252</u>	<u>12,399,282</u>
	10,234,005	808,966	-	11,042,971
	<u>10,234,005</u>	<u>808,966</u>	<u>-</u>	<u>11,042,971</u>
TOTAL FUNDS	<u>10,234,005</u>	<u>808,966</u>	<u>-</u>	<u>11,042,971</u>

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

24. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	536,763	(536,763)	-	-
Restricted funds				
General Annual Grant (GAG)	5,282,730	(5,603,953)	-	(321,223)
Other DfE/ESFA grants	50,889	(50,889)	-	-
Local Authority grants	50,368	(50,368)	-	-
Other	906,086	(906,086)	-	-
Restricted fixed asset funds	1,063,580	(236,391)	-	827,189
Pension deficit	-	(199,000)	502,000	303,000
	7,353,653	(7,046,687)	502,000	808,966
TOTAL FUNDS	<u>7,890,416</u>	<u>(7,583,450)</u>	<u>502,000</u>	<u>808,966</u>

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted Funds				
General fund	173,932	422,725	(596,657)	-
Restricted Funds				
General Annual Grant (GAG)	-	(606,622)	595,786	(10,836)
Pension deficit	(1,356,000)	37,000	-	(1,319,000)
Restricted fixed asset funds	9,143,075	2,419,895	871	11,563,841
	7,787,075	1,850,273	596,657	10,234,005
TOTAL FUNDS	<u>7,961,007</u>	<u>2,272,998</u>	<u>-</u>	<u>10,234,005</u>

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

24. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	455,192	(32,467)	-	422,725
Restricted funds				
General Annual Grant (GAG)	5,836,155	(6,442,777)	-	(606,622)
Other DfE/ESFA grants	145,764	(145,764)	-	-
Local Authority grants	208,316	(208,316)	-	-
Other	529,069	(529,069)	-	-
Restricted fixed asset funds	2,674,810	(254,915)	-	2,419,895
Pension deficit	-	(174,000)	211,000	37,000
	9,394,114	(7,754,841)	211,000	1,850,273
TOTAL FUNDS	<u>9,849,306</u>	<u>(7,787,308)</u>	<u>211,000</u>	<u>2,272,998</u>

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

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
General fund	173,932	422,725	(596,657)	-
Restricted funds				
General Annual Grant (GAG)	-	(927,845)	587,534	(340,311)
Pension deficit	(1,356,000)	340,000	-	(1,016,000)
Restricted fixed asset funds	9,143,075	3,247,084	9,123	12,399,282
	7,787,075	2,659,239	596,657	11,042,971
TOTAL FUNDS	<u>7,961,007</u>	<u>3,081,964</u>	<u>-</u>	<u>11,042,971</u>

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

24. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	991,955	(569,230)	-	422,725
Restricted funds				
General Annual Grant (GAG)	11,118,885	(12,046,730)	-	(927,845)
Other DfE/ESFA grants	196,653	(196,653)	-	-
Local Authority grants	258,684	(258,684)	-	-
Other	1,435,155	(1,435,155)	-	-
Restricted fixed asset funds	3,738,390	(491,306)	-	3,247,084
Pension deficit	-	(373,000)	713,000	340,000
	<u>16,747,767</u>	<u>(14,850,830)</u>	<u>713,000</u>	<u>2,609,937</u>
TOTAL FUNDS	<u>17,739,722</u>	<u>(15,420,060)</u>	<u>713,000</u>	<u>3,032,662</u>

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

The General Annual Grant (GAG) fund is for the charitable purposes of the Academy and applied under the ESFA guidance.

Other DfE/ESFA grants are grants from the DfE and ESFA which are not GAG but are used for the charitable purposes of the Academy.

Local Authority grants are grants from the Local Authority which are used for the charitable purposes of the Academy.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund relates to assets purchased less depreciation.

The net transfer between the restricted general fund and the restricted fixed asset fund is due to some devolved formula capital items purchased being expensed, and some capital additions being funded by GAG.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The academy is carrying a net deficit of £340,311 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

Restricted expenditure was in excess of the total of unrestricted and restricted general funds income in year ended 31 August 2018.

The academy is taking the following action to return these funds to surplus:

The Academy has a 5 year budget plan which shows that the Academy is expected to return to a surplus position on restricted reserves (excluding the pension reserve) within the next 5 years. The budget will be continuously monitored to ensure that cost efficiency is maximised and a positive level of reserves is achieved as soon as is possible.

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

25. Pension and similar obligations

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 (Valuation and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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 £479,710 (2017 - £486,730).

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

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £255,088 (2017 - £233,000), of which employer's contributions totalled £201,886 (2017 - £183,000) and employees' contributions totalled £53,202 (2017 - £50,000). The agreed contribution rates for future years are 22% for employers and 5.5% to 12.5% for employees.

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

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

25. Pension and similar obligations
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31/8/18 £	31/8/17 £
Fair value of plan assets	<u>2,609,000</u>	<u>2,224,000</u>
	<u>2,609,000</u>	<u>2,224,000</u>
Surplus	<u>2,609,000</u>	<u>2,224,000</u>
Net asset	<u>2,609,000</u>	<u>2,224,000</u>

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

	Defined benefit pension plans	
	31/8/18 £	31/8/17 £
Current service cost	362,000	327,000
Net interest from net defined benefit asset/liability	<u>14,000</u>	<u>30,000</u>
	<u>376,000</u>	<u>357,000</u>
Actual return on plan assets	<u>156,000</u>	<u>180,000</u>

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

	Defined benefit pension plans	
	31/8/18 £	31/8/17 £
Defined benefit obligation	3,543,000	3,152,000
Current service cost	362,000	327,000
Contributions by scheme participants	52,000	50,000
Interest cost	93,000	70,000
Benefits paid	(21,000)	(25,000)
Actuarial (gains)/losses from changes in financial assumptions	<u>(404,000)</u>	<u>(31,000)</u>
	<u>3,625,000</u>	<u>3,543,000</u>

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

25. Pension and similar obligations
- continued

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Fair value of scheme assets	2,224,000	1,796,000
Contributions by employer	198,000	183,000
Contributions by scheme participants	52,000	50,000
Expected return	58,000	40,000
Actuarial gains/(losses)	98,000	180,000
Benefits paid	(21,000)	(25,000)
	<u>2,609,000</u>	<u>2,224,000</u>

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Actuarial (gains)/losses from changes in financial assumptions	<u>404,000</u>	<u>31,000</u>
	<u>404,000</u>	<u>31,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Equities	1,826,300	1,690,000
Bonds	495,710	267,000
Property	208,720	178,000
Cash	<u>78,270</u>	<u>89,000</u>
	<u>2,609,000</u>	<u>2,224,000</u>

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

	31/8/18	31/8/17
Discount rate	2.8%	2.5%
Future salary increases	2.7%	2.8%
Future pension increases	2.3%	2.4%

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

	At 31/8/18	At 31/8/17
Retiring today		
Males	22.1	22.1
Females	24.1	24.4
Retiring in 20 years		
Males	24.4	24.1
Females	26.4	26.4

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

26. Capital commitments

	31/8/18 £	31/8/17 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>436,565</u>

27. Related party disclosures

Owing to the nature of the academy'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 in accordance with the academy's financial regulations and normal procurement procedures.

During the year the academy paid £30,000 (2017 - £30,000) to the Congregation of Christian Brothers, a member of the Trust, under a lease agreement.

During the year the academy paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the academy of £123,134 (2017 - £121,114).

28. Agency arrangements

	2018 £	2017 £
16 to 19 Bursary	<u>25,552</u>	<u>28,361</u>

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the trust received £20,112 (2017: £22,426) and disbursed £22,921 (2017: £19,465) from the fund. An amount of £25,552 (2017: £28,361) is included in other creditors relating to undistributed funds that are repayable to ESFA.

29. Financial instruments

	2018 £	2017 £
Financial assets measured at amortised cost	<u>15,793</u>	<u>1,475</u>
Financial liabilities measured at amortised cost	<u>367,434</u>	<u>384,139</u>

Financial assets measured at amortised cost comprises trade debtors.

Financial liabilities measured at amortised cost comprises trade creditors and net obligations under finance leases and hire purchase contracts.

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

30. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31/8/18 £	31/8/17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	306,966	2,061,998
Adjustments for:		
Depreciation	236,330	254,915
Capital grants from DfE/ESFA	(1,063,580)	(5,349,620)
Loss on disposal of fixed assets	61	423
Interest received	(5,491)	(12,298)
Interest element of hire purchase and finance lease rental payments	14,090	14,848
(Decrease)/increase in provisions	(97,024)	-
Decrease/(increase) in debtors	181,985	(172,551)
(Decrease)/increase in creditors	(539,594)	329,499
Difference between pension charge and cash contributions	<u>199,000</u>	<u>174,000</u>
Net cash provided by (used in) operating activities	<u><u>(767,257)</u></u>	<u><u>(2,698,786)</u></u>

31. Teaching school trading account

	2017/18 £	2017/18 £	2017/18 £	2016/17 £	2016/17 £	2016/17 £
Income:						
Direct Income						
Other Income		592,238			529,069	
Total Income			592,238			529,069
Expenditure:						
Direct costs						
Direct staff costs	118,682			200,641		
Staff development	3,511			3,808		
Other direct costs	<u>304,249</u>			<u>246,840</u>		
Total direct costs		426,442			451,289	
Other costs:						
Support staff costs	49,892			49,284		
Recruitment and support	546			1,084		
Security and support	1,262			2,276		
Other support costs	<u>2,258</u>			<u>3,117</u>		
Total other costs		<u>53,958</u>			<u>55,761</u>	
Total Expenditure			480,400			507,050
Surplus/(Deficit) from all sources			<u>111,838</u>			<u>22,019</u>
Teaching school balances at 1 September 2017			<u>643,672</u>			<u>621,653</u>
Teaching school balances at 31 August 2018			<u>755,510</u>			<u>643,672</u>