

**Strategic Report, Report of the Trustees and
Financial Statements for the Year Ended 31st August 2020**
for
**St Joseph's College Edmund Rice Academy
Trust**

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

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for the Year Ended 31st August 2020**

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St Joseph's College Edmund Rice Academy Trust

**Reference and Administrative Details
for the Year Ended 31st August 2020**

Members:

Br G Gordon
Br D Sassi
Br E Garvey
Mrs S Scott
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
Mr J Devine
Mr N Dodd
Mr S Flather
Mrs M Hilton (resigned 30 June 2020)
Mrs C Machin (resigned 14 October 2019)
Ms S P Moore
Mrs A Pearson (resigned 14 October 2019)
Ms M L Roberts
Mrs S Scott
Mr R Selby
Mr P Shufflebotham
Mr A Willis (resigned 14 October 2019)

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

Bankers

Lloyds Bank
Fountain Square
Hanley
Stoke on Trent
ST1 1LE

St Joseph's College Edmund Rice Academy Trust

**Reference and Administrative Details
for the Year Ended 31st August 2020**

Senior Management Team

| | |
|---------------------|-----------------------|
| Ms M Roberts | Headteacher |
| Mrs C Slattery | Deputy Headteacher |
| Mrs C Cirino | Assistant Headteacher |
| Mr R Christopherson | Assistant Headteacher |
| Miss C Appleyard | Assistant Headteacher |
| Mr E Leighton | Assistant Headteacher |
| Mrs K Cleverley | Finance Manager |
| Mrs F Uschmann | Heads PA/HR Manager |

St Joseph's College Edmund Rice Academy Trust

**Strategic Report
for the Year Ended 31st August 2020**

The trustees present their strategic report for the year ended 31st August 2020.

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, the implementation of the new funding formula which is still being agreed 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 155 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 10th November 2020 and signed on its behalf by:



Mrs S Scott - Trustee

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

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 2020. 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 2019) 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 2020

Objectives and activities

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 and HR 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 2020 were 1,137 (1,147 in 2019).

At GCSE, the ALPS report graded students' overall progress as a mid-2 on the ALPS thermometer, which is above the national average. 47% 7+ (Nat 26%), 88% 5+ (Nat 58%), 97% 4+ (Nat 76%).

At A level, the ALPS report graded students' overall progress as a high 3 which is above the national average. This year's results show the school performed just below national standards, with the percentage of A* to B grades at 62% in 2020 (national figure = 65%). In addition, 98% of grades were at grades A*-E.

To ensure that standards are continually raised the Academy Trust operates a robust self-evaluation and review programme. Senior leaders line manage departments and monitor student progress with subject leaders frequently and regularly. All subject leaders are experienced in leading reviews of other departments and an annual review curriculum review cycle is currently being put into place. This will hopefully simulate an Ofsted style 'deep dive'. 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 Minimum Expected Grades 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 any fund investment.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

Achievement and performance

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.
- 98% 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.

NB: Clearly, the academic year 2019-20 has been an exceptional one for a number of reasons. In terms of school performance data, no official accountability measures are being produced and the school itself was responsible for the Centre Assessed Grades that were eventually awarded to students at both GCSE and A level. We are still awaiting confirmation from Ofqual and the DfE of how the landscape may have changed in terms of exams and accountability measures for the summer of 2021.

* 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 attract a high-level quality of candidates.
- Our current staff numbers are: Teaching Staff 73 (1 vacancy), with 8 trainee teachers on the SCITT program at St Joseph's College. Support Staff: 45 (1 full time vacancy to be filled by 2 part time).
- There is excellent retention of support staff.
- There is excellent development of staff to leadership roles.

This last academic year our turnover of 12 staff comprised of:

- 6 graduate teachers
- 5 support staff, 2 of which retired, 1 ill health and 2 other posts
- 1 teacher who was on a temporary 1 year

**Report of the Trustees
for the Year Ended 31st August 2020**

Achievement and performance

Impact of Covid-19 pandemic on the school

Impact on the organisation and logistics:

- Increased cleaning in the school. We have had to alter the contracted hours of the cleaners and increase the cleaning of frequently used areas of the school.
- Increased need for computers for staff during lockdown and then if they need to self-isolate further. 45 staff laptops were more than 10 years old and had to be replaced.
- We still need to upgrade or replace a large number of classroom desktops to allow them to run the Teams App so that staff can live-stream lessons to students who are self-isolating.
- We have had to purchase webcams to ensure that all staff can stream their lessons.
- We have had to purchase software licences for
 - remote access to desktops during lockdown so that SLT, finance, admin, exams, and data teams could still access the school network.
 - a bolt-on to Teams to enable Teams and SIMS to synchronise.
- There is significant unbudgeted expenditure for new tables for the hall to accommodate keeping year groups apart at lunchtime.
- We have purchased radios to enable the logistics of both the re-opening for Y12 and Y10 and then the wider reopening to be such that the year groups stay apart.
- We have had to put perspex screens around the desks of staff who are vulnerable or whose role requires close contact with other pupils or staff.
- We have had to put cleaning materials, hand gel, new bins, cloths, and tissues into all classrooms.
- We have had to begin a pre-school homework club, necessitating the appointment of staff to accommodate students who need to be in school early.
- There is a significant reduction in the catering income (which was zero in lockdown) due to students not being able to be in the dining areas for much of lunchtime. Meanwhile expenditure is increased as split lunches necessitate longer staff hours.
- There are no external hires of indoor sports facilities leading to a reduction in income.

Impact on workload and pressure on staff:

- Trips are cancelled and the impact of having to process hundreds of refunded payments on the workload of the finance team has been significant.
- Two breaks and two lunchtimes mean that all staff are doing twice as many duties.
- SLT deployment is increased significantly are doing up to four hours duty each day to ensure that year groups stay apart.
- There is an increase in stress for teachers who no longer have their own room but must travel from room to room to teach year groups.
- Staff must come and collect students at the end of break and lunchtime which reduces the time spent in class.
- Staff have had to learn quickly how to use Teams to stream lessons, record lessons and set and mark work which has increased their workload.
- Staff are now responsible for simultaneously teaching live and remote lessons or for setting work for up to a quarter of the class who may be self-isolating.
- Staff absence is inevitably increased due to their own children or families having symptoms which may indicate Covid-19. This then involves staff having to cover for colleagues whilst they have to isolate whilst the test is arranged, and they wait for results.
- Staff who are absent may be setting work for classes, possibly for up to two weeks.
- There are alterations to the timing of the school day which reduce staff time spent together both for CPD and for social/personal support.
- CPD opportunities are reduced because of the need to reduce large-scale events.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

Achievement and performance

- Communication is reduced because staff briefing is remote and there are no whole-school or key-stage assemblies. Thus, there is an increase in the use of e-mails.
- Staff are increasingly reliant on an ICT network which is overloaded and on hardware which is old and some of which is close to obsolescence.
- Changes in the arrangements to the entrance test and exams impact on staff because we need to use large spaces normally reserved for teaching.
- The process of determining and administering results was especially stressful in light of frequent major changes, necessitating significant additional work for distributing results and handling appeals.

Impact on the wider aims and life of the organisation:

- We have no large-scale school events to welcome parents and students to the school e.g.:
 - Welcome Mass
 - Family Mass
 - Edmund Rice induction
 - Enrichment Fare
 - Y12 induction programme
 - Y6 transition days x 2
 - Y6 information event
 - Y7 welcome evening
 - Y12 welcome evening
- The major fundraising events for the school are now cancelled:
 - Sponsored walk
 - Coffee morning
 - Quiz and curry night
 - Fundraiser meals
 - PTFA welcome event
- The main Christmas event of the calendar, the school Carol Service is cancelled impacting on the wider profile of the school in the community.
- Open evenings for entry to Y7 and Y12 2021 are cancelled which may impact on recruitment to these year groups with a resultant impact on the budget for 2022.
- There are no whole-school events such as Remembrance Day or prize night which means that the school inevitably has fewer opportunities to be a cohesive single community.

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 2020 the level of restricted reserves (excluding the pension reserve) was in deficit by £126k and unrestricted reserves were nil. The Academy has a 3-year budget plan which shows that the Academy is expecting to return to a surplus position on restricted reserves (excluding the pension reserve) during the year ending 31 August 2021. 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 22 to the Financial Statements.

The deficit on the restricted LGPS pension fund as at 31 August 2020 was £2,083k.

The Academy had tangible fixed assets with a carrying value of £12,552k at 31 August 2020 and at present the Academy does not have any plans to dispose of any assets.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

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.

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 new VI form building, and an additional VI form Resource Centre purchased with capital funding from the ESFA. The Academy also took on the Local Government Pension Scheme liability on conversion to Academy status.

The Academy Trust's principal income is from the ESFA in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2020 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 2020 incoming resources were £711k of unrestricted income, £6,437k of restricted income (including general annual grant of £5,343k) and £303k of restricted fixed asset grant income relating to the construction of a new VI form facility. Total expenditure was £7,706k. The net movement in funds during the year ended 31 August 2020 was nil in unrestricted funds, a surplus of £229k in restricted general funds and a surplus of £89k in restricted fixed asset funds.

After these movements, the funds carried forward at 31 August 2020 were nil unrestricted funds, £188k deficit in restricted income funds, £2,083k of pension reserve and £12,466k of restricted fixed asset funds. The Academy has a 3-year budget plan which shows that the Academy is expecting to reverse the deficit in restricted income funds during the year ending 31 August 2021.

Financial key performance indicators

- All budget lines monitored monthly.
- All expenditure to be within agreed budgets as approved by the governing board.
- Internal recommendations in governors' minutes to be completed by next meeting.
- Achieve and start to build reserves by 2020/2021.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

Future plans SCITT

- "We have a record number of trainees this year. We have 30 trainees in total (26 secondaries, 4 primaries).
- All sessions will be undertaken on a Friday - either remotely or physically in the hall.
- The trainees' curriculum will be constantly monitored to ensure its ambition and cohesion.
- The sessions will be delivered by our "deliver team" to ensure consistency.
- All sessions will refer to the new ITT core content framework.
- Subject tutors have been employed to increase the trainees pedagogical content knowledge.
- There will be an increased focus on mentor training via zoom meetings, VLOG, blogs, and bulletins.
- Recruitment events are starting.
- We continue to monitor our previous trainees as they move into year 1+.
- Our partnership has continued to grow, and we are working very closely with the PTSA.
- Steering group meeting (twice a year) will take place via zoom/teams.
- Development group meeting (4 times a year) will also take place remotely.

Teaching School

Current work

- NPQML.
- NPQSL.
- Teaching for Excellence CPD programme.
- Tom Sherrington - Teacher Walkthrus.
- Tom Bennett - Effective Classroom management.
- Leading with impact.
- Powerful curriculum design.
- Effective implementation.
- Effective assessment.
- Closing the Vocabulary Gap.
- SLE training.
- What makes great CPD?
- Christine Council - Curriculum content and coherence.
- Effective mentoring and coaching.
- Subject specific CPD (Geography, history, MFL, R.E).
- Appropriate body.
- ITT provision.
- NQT support.
- School to school support (Tier 1 and tier 2 work was starting to take place before lockdown).

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.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

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 2020 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 Resources, Audit, Admissions, Support and Standards. 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 £362.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

Structure, governance and management

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 2020 are summarised below:

STRIVING FOR EXCELLENCE (OUTCOMES)

- To implement a well sequenced curriculum underpinned by powerful knowledge.

CONCERN FOR THE WHOLE PERSON (PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE)

- To equip students to make informed decisions about their future.

BUILDING A CHRISTIAN COMMUNITY (LEADERSHIP)

- To ensure St Joseph's College is prepared for strategic and organisational changes.

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.

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) 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.

St Joseph's College Edmund Rice Academy Trust

Report of the Trustees for the Year Ended 31st August 2020

Structure, governance and management

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, led 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 operations of the Academy Trust is devolved to the Senior Leadership Team which comprises of the Headteacher (who acts as the Accounting Officer), one Deputy Head, four Assistant Heads, Finance Manager and HR 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

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

Hardings Chartered Accountants undertook the audit process for the stated year.

Approved by order of the board of trustees on 10th November 2020 and signed on its behalf by:



Mrs S Scott - Trustee

St Joseph's College Edmund Rice Academy Trust

Governance Statement for the Year Ended 31st August 2020

Scope of Responsibility

As Governors, 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 or loss.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year but has met ESFA requirements and maintained good financial controls by sending out monthly accounts to all governors.

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

| Trustee | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| Mr N Atkins | 4 | 4 |
| Br J Catterson | 4 | 4 |
| Mr J Devine | 4 | 4 |
| Mr N Dodd | 1 | 4 |
| Mr S Flather | 4 | 4 |
| Mrs M Hilton (resigned 30 June 2020) | 0 | 4 |
| Mrs C Machin (resigned 14 October 2019) | 3 | 4 |
| Ms S Moore | 3 | 4 |
| Mrs A Pearson (resigned 14 October 2019) | 4 | 4 |
| Ms M L Roberts | 4 | 4 |
| Mrs S Scott | 4 | 4 |
| Mr R Selby | 4 | 4 |
| Mr P Shufflebotham | 3 | 4 |
| Mr A Willis (resigned 14 October 2019) | 2 | 4 |

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.

In 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.

St Joseph's College Edmund Rice Academy Trust

Governance Statement for the Year Ended 31st August 2020

Governance

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

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 which is reviewed throughout the year. They have also undertaken whole Governing Body training on Safeguarding and THE PREVENT Duty. A group of Governors have attended a refresher course on permanent and fixed term exclusions.

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 | 3 | 3 |
| Mr S Flather | 2 | 3 |
| Ms S Moore | 1 | 3 |
| Ms M Roberts | 3 | 3 |
| Mrs S Scott | 3 | 3 |

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 | 0 | 2 |
| Mr R Selby | 2 | 2 |
| Mr P Shufflebotham | 2 | 2 |
| Ms M Roberts | 2 | 2 |

St Joseph's College Edmund Rice Academy Trust

Governance Statement for the Year Ended 31st August 2020

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 Trust's use of its resources has provided good value for money each academic year, and reports to the board where value for money can be improved, including the use of benchmarking data where available. 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.

Improving Educational Results

Progress - At GCSE, the ALPS report graded students' overall progress as a mid-2 on the ALPS thermometer, (low 3 last year 2018-19).

At A level, the ALPS report graded students' overall progress as a high 3 on the ALPS thermometer, which is above the national average this year.

Attainment - In the summer of 2020, the school's Attainment 8 score was 63.92. The percentage of students scoring 7-9 in English Language was 45%, 5-9 was 92% and 4-9 in English Language was 99%. In English Literature the percentage of students scoring 7-9 was 40%, 5-9 was 86% and 4-9 was 97%. As for maths, the percentage of students achieving 7-9 was 35%, 5-9 was 86% and 4-9 was 98%.

Attainment at A level was broadly in line with the national average in the summer of 2020. 62% of grades were A* to B (65% nationally) and 98% of grades were A* to E (99% nationally). *

Targeted Improvement and Focus on Individual Pupils/Groups

Pupil premium students:

We had 8 pupil premium students in year 11 in the summer of 2020. ALPS graded pupil premium students' overall progress as 1 on the ALPS thermometer which is excellent; it was a grade 4 on the thermometer last year 2018-19.

Students with special educational needs:

We had 6 students in year 11 in the summer of 2020 who were receiving SEND support. The students have an average Attainment 8 score of 47.

* 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. However, due to the Coronavirus pandemic, no official accountability measures have been produced.

Collaboration

- MEP (Maths Excellence Partnership and EEP (English Excellence Partnership).
- NPQML and SL 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 programmes.
- Providing mentor training to city schools for Initial Teacher Training.
- CPD courses where commissioned, for example: Subject and curriculum knowledge development.
- 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.

**Governance Statement
for the Year Ended 31st August 2020**

- Engagement with research-based research from other schools and networks to support CPD in/out of school.
- Support of schools placed via deployment-funded actions 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 (Specialist Leaders of Education) provide CPD and support for city school leaders and teachers e.g. Collaborative TSAs English project, Stoke MEP, reviews, coaching.
- Director of Teaching School supports other TSAs and SASCAL e.g. Primary PTSA board member, SSIG Member, SLEs deployed via LA commission.
- Running city wide behaviour CPD.
- Supporting schools across Staffordshire and Cheshire e.g. Norton Canes.
- Developing primary arm of the SCITT with PTSA.

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.
- Teaching school steering group.
- Website to be updated.
- Working closely with Middle leaders from Thistley Hough to improve curriculum knowledge.
- Curriculum reviews with other schools in our alliance.
- City wide behaviour management CPD with Tom Bennett.
- Subject/curriculum knowledge development CPD for history, geography and R.E.
- Assessment lead training for senior leaders.
- Application to become a lead Hub school for Cheshire East and West.

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 with the agreed guidelines in the academies 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.

St Joseph's College Edmund Rice Academy Trust

Governance Statement for the Year Ended 31st August 2020

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of St Joseph's College Edmund Rice 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 year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint the Local Authority as an internal auditor. The SLA with the Local Authority determines a quarterly programme to audit and report on financial matters and perform a range of checks on the Academy Trust's financial systems. It 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 ESFA's requirements and there have been no material control issues arising as a result of the internal audit work.

St Joseph's College Edmund Rice Academy Trust

**Governance Statement
for the Year Ended 31st August 2020**

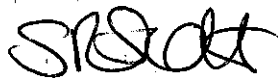
Review of Effectiveness

As Accounting Officer, the Head Teacher 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 10th November 2020 and signed on its behalf by:



Mrs S Scott - Trustee



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 2020**

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 terms and conditions of all funding received by the academy trust, 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 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

10th November 2020

St Joseph's College Edmund Rice Academy Trust

Statement of Trustees' Responsibilities for the Year Ended 31st August 2020

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 Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

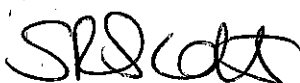
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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 10th November 2020 and signed on its behalf by:



Mrs S Scott - Trustee

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 2020 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 2019 to 2020 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 2020 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 2019 and Academies Accounts Direction 2019 to 2020.

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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

**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

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.

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

10th November 2020

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 2019 to 2020, 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 2019 to 31st August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31st August 2020 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 2019 to 2020 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 2019 to 31st August 2020 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

10th November 2020

St Joseph's College Edmund Rice Academy Trust

**Statement of Financial Activities
for the Year Ended 31st August 2020**

| | | | | | 31/8/20 | 31/8/19 |
|--|--------------|----------------------------|--|--------------------------|---------------------|---------------------|
| | | Unrestricted funds £ | Restricted fixed asset funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| Income and endowments from | Notes | | | | | |
| Donations and capital grants | 2 | 26,179 | 303,682 | - | 329,861 | 696,595 |
| Charitable activities | 6 | | | | | |
| Funding for the academy's educational operations | 3 | 600,194 | - | 5,900,395 | 6,500,589 | 6,113,446 |
| Teaching schools | 26 | - | - | 537,261 | 537,261 | 643,265 |
| Other trading activities | 4 | 84,265 | - | - | 84,265 | 145,633 |
| Investment income | 5 | 486 | - | - | 486 | 616 |
| Total | | 711,124 | 303,682 | 6,437,656 | 7,452,462 | 7,599,555 |
| Expenditure on | | | | | | |
| Raising funds | 8 | - | - | 3,132 | 3,132 | 1,611 |
| Charitable activities | | | | | | |
| Academy's educational operations | | 711,124 | 537,462 | 5,986,442 | 7,235,028 | 6,959,008 |
| Teaching schools | 26 | - | - | 468,426 | 468,426 | 514,680 |
| Total | 7 | 711,124 | 537,462 | 6,458,000 | 7,706,586 | 7,475,299 |
| NET INCOME/(EXPENDITURE) | | - | (233,780) | (20,344) | (254,124) | 124,256 |
| Transfers between funds | | - | (62,490) | 62,490 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit schemes | | - | - | 339,000 | 339,000 | (995,000) |
| Net movement in funds | | - | (296,270) | 381,146 | 84,876 | (870,744) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | - | 12,762,169 | (2,589,942) | 10,172,227 | 11,042,971 |
| Total funds carried forward | | - | 12,465,899 | (2,208,796) | 10,257,103 | 10,172,227 |

The notes form part of these financial statements

St Joseph's College Edmund Rice Academy Trust

**Balance Sheet
31st August 2020**

| | | | | 31/8/20 | 31/8/19 |
|--|-------|-------------------------|-----------------------------------|-----------------------|------------------|
| | Notes | Unrestricted funds £ | Restricted fixed asset funds £ | Restricted funds £ | Total funds £ |
| Fixed assets | | | | | |
| Tangible assets | 16 | - | 12,551,776 | - | 12,551,776 |
| Current assets | | | | | |
| Debtors | 17 | - | - | 158,917 | 158,917 |
| Cash at bank and in hand | | - | - | 804,130 | 804,130 |
| | | - | - | 963,047 | 986,428 |
| Creditors | | | | | |
| Amounts falling due within one year | 18 | - | (85,877) | (875,609) | (961,486) |
| Net current assets | | - | (85,877) | 87,438 | 1,561 |
| Total assets less current liabilities | | - | 12,465,899 | 87,438 | 12,553,337 |
| Creditors | | | | | |
| Amounts falling due after more than one year | 19 | - | - | (213,234) | (213,234) |
| Pension liability | 23 | - | - | (2,083,000) | (2,083,000) |
| NET ASSETS | | - | 12,465,899 | (2,208,796) | 10,257,103 |
| Funds | 22 | | | | |
| Restricted funds | | | | 10,257,103 | 10,172,227 |
| Total funds | | | | 10,257,103 | 10,172,227 |

The financial statements were approved by the Board of Trustees and authorised for issue on 10th November 2020 and were signed on its behalf by:



Mrs S Scott - Trustee

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 2020**

| | Notes | 31/8/20 £ | 31/8/19 £ |
|---|-------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 27 | (260,984) | (10,298) |
| Interest element of hire purchase payments paid | | <u>(12,460)</u> | <u>(13,295)</u> |
| Net cash used in operating activities | | <u>(273,444)</u> | <u>(23,593)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (10,549) | (308,096) |
| Capital grants from DfE/ESFA | | 303,682 | 661,658 |
| Interest received | | <u>486</u> | <u>616</u> |
| Net cash provided by investing activities | | <u>293,619</u> | <u>354,178</u> |
| Cash flows from financing activities | | | |
| Capital repayments in year | | <u>(17,541)</u> | <u>(16,705)</u> |
| Net cash used in financing activities | | <u>(17,541)</u> | <u>(16,705)</u> |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the reporting period | | 2,634 | 313,880 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>801,496</u> | <u>487,616</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>804,130</u> | <u>801,496</u> |

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st August 2020**

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 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 23, 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 2020. 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 2020**

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.

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:

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

1. Accounting policies - continued

Tangible fixed assets

| | |
|----------------------------|------------------|
| Freehold property | - over 50 years |
| L/Term Leasehold land | - over 125 years |
| 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.

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 23, 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

1. Accounting policies - continued

Pension costs and other post-retirement benefits

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 25.

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.

2. Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | 31/8/20 Total funds £ | 31/8/19 Total funds £ |
|-----------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Donations | 26,179 | - | 26,179 | 34,937 |
| Grants | - | 303,682 | 303,682 | 661,658 |
| | <u>26,179</u> | <u>303,682</u> | <u>329,861</u> | <u>696,595</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

2. Donations and capital grants - continued

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

| | 31/8/20 | 31/8/19 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Condition Improvement Fund | 278,796 | 564,950 |
| Other capital grants | <u>24,886</u> | <u>96,708</u> |
| | <u>241,192</u> | <u>661,658</u> |

3. Funding for the academy's educational operations

| | Unrestricted funds | Restricted funds | 31/8/20 Total funds | 31/8/19 Total funds |
|---------------------------------------|--------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Other activities for generating funds | 240,636 | - | 240,636 | 356,599 |
| Other income | 359,558 | - | 359,558 | 618,193 |
| Grants | <u>-</u> | <u>5,900,395</u> | <u>5,900,395</u> | <u>5,138,654</u> |
| | <u>600,194</u> | <u>5,900,395</u> | <u>6,500,589</u> | <u>6,113,446</u> |

An analysis of grants received is given below:

| | Unrestricted funds | Restricted funds | 31/8/20 Total funds | 31/8/19 Total funds |
|-------------------------------|--------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| DfE/ESFA revenue grant | | | | |
| General Annual Grant (GAG) | - | 5,343,263 | 5,343,263 | 4,988,324 |
| Other DfE/ESFA Grants | <u>-</u> | <u>352,409</u> | <u>352,409</u> | <u>104,322</u> |
| | - | 5,695,672 | 5,695,672 | 5,092,646 |
| Other government grant | | | | |
| Local Authority | - | 204,723 | 204,723 | 46,008 |
| | <u>-</u> | <u>5,900,395</u> | <u>5,900,395</u> | <u>5,138,654</u> |

4. Other trading activities

| | Unrestricted funds | Restricted funds | 31/8/20 Total funds | 31/8/19 Total funds |
|--------------|--------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Other income | <u>84,265</u> | <u>-</u> | <u>84,265</u> | <u>145,633</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

5. Investment income

| | Unrestricted funds £ | Restricted funds £ | 31/8/20 Total funds £ | 31/8/19 Total funds £ |
|-------------------|-------------------------------------|-----------------------------------|--|--|
| Investment income | <u>486</u> | <u>-</u> | <u>486</u> | <u>616</u> |

6. Income from charitable activities

| | Activity | 31/8/20 £ | 31/8/19 £ |
|-----------------|-----------------|----------------------|----------------------|
| Teaching school | Teaching school | 54,365 | 53,440 |
| Grants | Teaching school | <u>482,896</u> | <u>583,825</u> |
| | | <u>537,261</u> | <u>637,265</u> |

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

| | 31/8/20 £ | 31/8/19 £ |
|---|----------------------|----------------------|
| General Annual Grant (GAG) | 5,343,263 | 4,988,324 |
| Other DfE/ESFA Grants | 352,409 | 104,322 |
| Local Authority | 204,723 | 46,008 |
| National College of Teaching & Learning | <u>482,896</u> | <u>589,825</u> |
| | <u>6,383,291</u> | <u>5,728,479</u> |

7. Expenditure

| | Non-pay expenditure | | | 31/8/20 | 31/8/19 |
|---|------------------------------|-----------------------|------------------------------|--------------------|--------------------|
| | Staff costs £ | Premises £ | Other costs £ | Total £ | Total £ |
| Raising funds | | | | | |
| Costs of fundraising | | | | | |
| Direct costs | - | - | 3,132 | 3,132 | 1,611 |
| Charitable activities | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 3,832,501 | 266,439 | 861,502 | 4,960,442 | 4,961,085 |
| Allocated support costs | 851,429 | 1,172,452 | 250,705 | 2,274,586 | 1,997,923 |
| Teaching schools | | | | | |
| Direct costs | <u>-</u> | <u>439,575</u> | <u>28,851</u> | <u>468,426</u> | <u>514,680</u> |
| | <u>4,683,930</u> | <u>1,878,466</u> | <u>1,144,190</u> | <u>7,706,586</u> | <u>7,475,299</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

7. Expenditure - continued

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

| | 31/8/20 | 31/8/19 |
|---|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 191,735 | 200,495 |
| - leased assets | 115,182 | 115,182 |
| Auditors' remuneration – audit | 6,250 | 6,250 |
| Auditor's remuneration – other services | 4,100 | 2,250 |
| Operating lease rentals | <u>15,695</u> | <u>29,411</u> |

8. Raising funds

Costs of fundraising

| | Unrestricted funds | Restricted funds | 31/8/20 Total funds | 31/8/19 Total funds |
|-----------------------|--------------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Cost of raising funds | <u>-</u> | <u>3,132</u> | <u>3,132</u> | <u>1,611</u> |

9. Charitable activities

| | Direct costs (see note 10) £ | Support costs (see note 11) £ | Totals £ |
|----------------------------------|------------------------------------|-------------------------------------|------------------|
| Teaching school | 412,853 | 55,573 | 468,426 |
| Academy's educational operations | <u>4,954,291</u> | <u>2,280,737</u> | <u>7,235,028</u> |
| | <u>5,367,144</u> | <u>2,336,310</u> | <u>7,703,454</u> |

10. Direct costs of charitable activities

| | Academy's educational operations £ | Teaching school £ | Total 2020 £ | Total 2019 £ |
|----------------------|---|-------------------------|--------------------|--------------------|
| Educational supplies | 143,950 | - | 143,950 | 194,081 |
| Examination fees | 119,318 | 550 | 119,868 | 137,100 |
| Staff development | 15,785 | - | 15,785 | 53,088 |
| Other direct costs | 289,531 | 282,149 | 571,680 | 634,933 |
| Wages and salaries | 3,067,090 | 130,154 | 3,197,244 | 3,201,800 |
| National insurance | 311,454 | - | 311,454 | 340,202 |
| Pension cost | 700,246 | - | 700,246 | 532,302 |
| Depreciation | <u>306,917</u> | <u>-</u> | <u>306,917</u> | <u>315,677</u> |
| | <u>4,954,291</u> | <u>412,853</u> | <u>5,367,144</u> | <u>5,409,183</u> |
| At 31 August 2019 | <u>4,944,706</u> | <u>464,477</u> | <u>5,409,183</u> | |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

11. Support costs

| | Academy's educational operations £ | Teaching school £ | Total 2020 £ | Total 2019 £ |
|---------------------------------------|---|----------------------------------|-----------------------------|-----------------------------|
| Pension scheme interest cost | 43,000 | - | 43,000 | 30,000 |
| Staff costs | 808,429 | 48,714 | 857,143 | 775,249 |
| Recruitment and support | 13,584 | 541 | 14,125 | 11,888 |
| Maintenance of premises and equipment | 437,802 | - | 437,802 | 151,255 |
| Equipment rental | 10,888 | - | 10,888 | 12,707 |
| Technology costs | 66,203 | - | 66,203 | 57,730 |
| Cleaning | 151,927 | 265 | 152,192 | 154,601 |
| Rent and rates | 40,357 | - | 40,357 | 40,728 |
| Insurance | 53,478 | - | 53,478 | 53,172 |
| Transport and security | 13,525 | - | 13,525 | 14,984 |
| Catering | 150,299 | - | 150,299 | 204,436 |
| Finance lease interest payable | 12,460 | - | 12,460 | 13,295 |
| School trips | 274,602 | - | 274,602 | 343,469 |
| Other support costs | 193,832 | 6,053 | 199,885 | 192,491 |
| Governance costs | 10,351 | - | 10,351 | 8,500 |
| | <u>2,280,737</u> | <u>55,573</u> | <u>2,336,310</u> | <u>2,064,505</u> |
| At 31 August 2019 | <u>2,014,302</u> | <u>50,203</u> | <u>2,064,505</u> | |

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:

| | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Remuneration | | |
| Ms M L Roberts, Principal | 90,000 - 95,000 | 90,000 - 95,000 |
| Mrs C Machin, Staff Governor (resigned as trustee 14/10/19) | - | 25,000 - 30,000 |
| Mr A Willis, Staff Governor (resigned as trustee 14/10/19) | - | 45,000 - 50,000 |
| Mrs A Pearson, Staff Governor (resigned as trustee 14/10/19) | - | 55,000 - 60,000 |
| Employer's pension contributions | | |
| Ms M L Roberts, Principal | 20,000 - 25,000 | 15,000 - 20,000 |
| Mrs C Machin, Staff Governor (resigned as trustee 14/10/19) | - | 5,000 - 10,000 |
| Mr A Willis, Staff Governor (resigned as trustee 14/10/19) | - | 5,000 - 10,000 |
| Mrs A Pearson, Staff Governor (resigned as trustee 14/10/19) | - | 5,000 - 10,000 |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

12. Trustees' remuneration and benefits - continued

Trustees' expenses

During the period ended 31 August 2020, no trustees received any reimbursement of expenses (2019: £nil).

13. Staff costs

| | 31/8/20 | 31/8/19 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,527,477 | 3,275,952 |
| Social security costs | 344,989 | 365,947 |
| Operating costs of defined benefit pension schemes | 807,752 | 630,144 |
| Apprenticeship levy | <u>3,712</u> | <u>4,294</u> |
| | 4,683,930 | 4,276,337 |
| Staff restructuring costs | - | 33,929 |
| Long service awards | <u>-</u> | <u>548</u> |
| | <u>4,683,930</u> | <u>4,310,814</u> |

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

| | 31/8/20 | 31/8/19 |
|----------------------------|------------|------------|
| Teachers | 59 | 65 |
| Administration and support | 56 | 52 |
| Management | <u>10</u> | <u>10</u> |
| | <u>125</u> | <u>127</u> |

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

| | 31/8/20 | 31/8/19 |
|--------------------|----------|----------|
| £60,001 - £70,000 | 2 | 2 |
| £70,001 - £80,000 | 1 | - |
| £90,001 - £100,000 | <u>1</u> | <u>1</u> |
| | <u>4</u> | <u>3</u> |

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 employer's pension contributions for these staff amounted to £40,429 (2019: £37,266).

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 £589,605 (2019: £626,997).

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

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 2020 was £362 (2019: £918). The cost of this insurance is included in the total insurance cost.

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 | 34,937 | 661,658 | - | 696,595 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | 356,599 | - | 5,756,847 | 6,113,446 |
| Teaching school | - | - | 643,265 | 643,265 |
| Other trading activities | 21,608 | - | 124,025 | 145,633 |
| Investment income | 616 | - | - | 616 |
| Total | 413,760 | 661,658 | 6,524,137 | 7,599,555 |
| Expenditure on | | | | |
| Raising funds | - | 1,611 | - | 1,611 |
| Charitable activities | | | | |
| Academy's educational operations | 413,760 | 297,160 | 6,248,088 | 6,959,008 |
| Teaching schools | - | - | 514,680 | 514,680 |
| Total | 413,760 | 298,771 | 6,762,768 | 7,475,299 |
| NET INCOME/(EXPENDITURE) | - | 362,887 | (238,631) | 124,256 |
| Other recognised gains/(losses) | | | | |
| Actuarial gains/(losses) on defined benefit schemes | - | - | (995,000) | (995,000) |
| Net movement in funds | - | 362,887 | (1,233,631) | (870,744) |
| Reconciliation of funds | | | | |
| Total funds brought forward | - | 12,399,282 | (1,356,311) | 11,042,971 |
| Total funds carried forward | - | 12,762,169 | (2,589,942) | 10,172,227 |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

16. Tangible fixed assets

| | Freehold property £ | Long leasehold land & buildings £ | Fixtures and fittings £ |
|-----------------------|------------------------------------|--|--|
| Cost | | | |
| At 1st September 2019 | 7,562,852 | 6,695,229 | 265,924 |
| Additions | - | - | 6,230 |
| At 31st August 2020 | <u>7,562,852</u> | <u>6,695,229</u> | <u>272,154</u> |
| Depreciation | | | |
| At 1st September 2019 | 512,626 | 996,135 | 225,927 |
| Charge for year | <u>151,257</u> | <u>115,182</u> | <u>15,961</u> |
| At 31st August 2020 | <u>663,883</u> | <u>1,111,317</u> | <u>241,888</u> |
| Net book value | | | |
| At 31st August 2020 | <u>6,898,969</u> | <u>5,583,912</u> | <u>30,266</u> |
| At 31st August 2019 | <u>7,050,226</u> | <u>5,699,094</u> | <u>39,997</u> |
| | Motor vehicles £ | Computer equipment £ | Totals £ |
| Cost | | | |
| At 1st September 2019 | 39,710 | 269,798 | 14,833,513 |
| Additions | - | 4,319 | 10,549 |
| At 31st August 2020 | <u>39,710</u> | <u>274,117</u> | <u>14,844,062</u> |
| Depreciation | | | |
| At 1st September 2019 | 32,432 | 218,249 | 1,985,369 |
| Charge for year | <u>3,119</u> | <u>21,398</u> | <u>306,917</u> |
| At 31st August 2020 | <u>35,551</u> | <u>239,647</u> | <u>2,292,286</u> |
| Net book value | | | |
| At 31st August 2020 | <u>4,159</u> | <u>34,470</u> | <u>12,551,776</u> |
| At 31st August 2019 | <u>7,278</u> | <u>51,549</u> | <u>12,848,144</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

17. Debtors: amounts falling due within one year

| | 31/8/20 | 31/8/19 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 4,593 | 8,685 |
| Other debtors | 45,479 | 22,257 |
| VAT | 35,041 | 63,892 |
| Prepayments and accrued income | <u>73,804</u> | <u>90,098</u> |
| | <u>158,917</u> | <u>184,932</u> |

18. Creditors: amounts falling due within one year

| | 31/8/20 | 31/8/19 |
|------------------------------|----------------|------------------|
| | £ | £ |
| Hire purchase (see note 20) | 18,417 | 17,540 |
| Trade creditors | 17,027 | 54,022 |
| Other creditors | 16,266 | - |
| Accruals and deferred income | <u>909,777</u> | <u>1,187,131</u> |
| | <u>961,486</u> | <u>1,258,693</u> |

| | 2020 | 2019 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Deferred income | | |
| Deferred income at 1 September 2019 | 716,764 | 703,465 |
| Resources deferred during the year | 665,737 | 716,764 |
| Amounts released from previous years | <u>(716,764)</u> | <u>(703,465)</u> |
| Deferred income at 31 August 2020 | <u>665,737</u> | <u>716,764</u> |

Creditors includes £665,737 (2019: £716,764) 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:

| | 2020 | 2019 |
|--------------------------|----------------|----------------|
| | £ | £ |
| SCITT | 8,815 | 21,398 |
| Rates income | 12,198 | 13,723 |
| Capital devolved funding | 25,932 | 24,886 |
| MEP Maths Hub | 406,554 | 382,608 |
| CIF Funding | 92,746 | 155,424 |
| Pupil Premium funding | 40,311 | 38,710 |
| Self-funding trips | 79,181 | 76,335 |
| DT Consumables | - | 2,214 |
| Duke of Edinburgh scheme | - | 1,466 |
| Total | <u>665,737</u> | <u>716,764</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

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

| | 31/8/20 | 31/8/19 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase contracts (see note 20) | <u>213,234</u> | <u>231,652</u> |

20. Leasing agreements

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|----------------------------|---|----------------|
| | 31/8/20 | 31/8/19 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 18,417 | 17,540 |
| Between one and five years | 83,350 | 79,381 |
| In more than five years | <u>129,884</u> | <u>152,271</u> |
| | <u>231,651</u> | <u>249,192</u> |
| | Non-cancellable operating leases | |
| | 31/8/20 | 31/8/19 |
| | £ | £ |
| Within one year | 15,695 | 15,694 |
| Between one and five years | <u>25,702</u> | <u>41,397</u> |
| | <u>41,397</u> | <u>57,091</u> |

21. 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.

22. Movement in funds

| | At 1.9.19 | Net movement in funds | Transfers between funds | At 31.8.20 |
|------------------------------|-------------------|-----------------------|-------------------------|-------------------|
| | £ | £ | £ | £ |
| Restricted funds | | | | |
| General Annual Grant (GAG) | (417,942) | 229,656 | 62,490 | (125,796) |
| Pension deficit | (2,172,000) | 89,000 | - | (2,083,000) |
| Restricted fixed asset funds | <u>12,762,169</u> | <u>(233,780)</u> | <u>(62,490)</u> | <u>12,465,899</u> |
| | <u>10,172,227</u> | <u>84,876</u> | <u>-</u> | <u>10,257,103</u> |
| TOTAL FUNDS | <u>10,172,227</u> | <u>84,876</u> | <u>-</u> | <u>10,257,103</u> |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

22. 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 | 711,124 | (711,124) | - | - |
| Restricted funds | | | | |
| General Annual Grant (GAG) | 5,343,263 | (5,113,607) | - | 229,656 |
| Other DfE/ESFA grants | 352,409 | (352,409) | - | - |
| Local Authority grants | 204,723 | (204,723) | - | - |
| Pension deficit | - | (250,000) | 339,000 | 89,000 |
| Other | 537,261 | (537,261) | - | - |
| Restricted fixed asset funds | 241,192 | (537,462) | - | (296,270) |
| | <u>6,678,848</u> | <u>(6,995,462)</u> | <u>339,000</u> | <u>22,386</u> |
| TOTAL FUNDS | <u>7,389,972</u> | <u>(7,706,586)</u> | <u>339,000</u> | <u>22,386</u> |

Comparatives for movement in funds

| | At 1.9.18 £ | Net movement in funds £ | At 31.8.19 £ |
|------------------------------|-------------------|----------------------------------|--------------------|
| Restricted funds | | | |
| General Annual Grant (GAG) | (340,311) | (77,631) | (417,942) |
| Pension deficit | (1,016,000) | (1,156,000) | (2,172,000) |
| Restricted fixed asset funds | 12,399,282 | 362,887 | 12,762,169 |
| | <u>11,042,971</u> | <u>(870,744)</u> | <u>10,172,227</u> |
| TOTAL FUNDS | <u>11,042,971</u> | <u>(870,744)</u> | <u>10,172,227</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

22. 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 | 413,760 | (413,760) | - | - |
| Restricted funds | | | | |
| General Annual Grant (GAG) | 5,425,304 | (5,502,935) | - | (77,631) |
| Other DfE/ESFA grants | 330,256 | (330,256) | - | - |
| Local Authority grants | 25,212 | (25,212) | - | - |
| Pension deficit | - | (161,000) | (995,000) | (1,156,000) |
| Other | 743,365 | (743,365) | - | - |
| Restricted fixed asset funds | <u>661,658</u> | <u>(298,771)</u> | <u>-</u> | <u>362,887</u> |
| | <u>7,185,795</u> | <u>(7,061,539)</u> | <u>(995,000)</u> | <u>(870,744)</u> |
| TOTAL FUNDS | <u>7,599,555</u> | <u>(7,475,299)</u> | <u>(995,000)</u> | <u>(870,744)</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 2020.

The academy is carrying a net deficit of £188,286 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 previous years. Steps have been taken to remedy this, and the deficit has been significantly reduced in the year ended 31 August 2020.

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 year. 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 2020**

23. Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

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

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £660,280 (2019: £461,522).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £240,860 (2019: £231,026), of which employer's contributions totalled £192,361 (2019: £183,908) and employees' contributions totalled £48,499 (2019: £47,118). The agreed contribution rates for future years are 22% for employers and 5.5% to 12.5% for employees.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

23. Pension and similar obligations - continued

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.

The amounts recognised in the Statement of Financial Activities are as follows:

| | Defined benefit pension plans | |
|--|--|----------------|
| | 31/8/20 | 31/8/19 |
| | £ | £ |
| Current service cost | 403,000 | 317,000 |
| Net interest from net defined benefit asset/liability | 43,000 | 30,000 |
| | <u>446,000</u> | <u>347,000</u> |
| Actual return on plan assets | <u>(106,000)</u> | <u>170,000</u> |

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

| | Defined benefit pension plans | |
|---|--|------------------|
| | 31/8/20 | 31/8/19 |
| | £ | £ |
| Opening defined benefit obligation | 5,164,000 | 3,625,000 |
| Current service cost | 403,000 | 317,000 |
| Contributions by scheme participants | 49,000 | 48,000 |
| Interest cost | 102,000 | 106,000 |
| Benefits paid | (54,000) | (21,000) |
| Actuarial (gains)/losses from changes in financial assumptions | <u>(504,000)</u> | <u>1,089,000</u> |
| | <u>5,160,000</u> | <u>5,164,000</u> |

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

| | Defined benefit pension plans | |
|--------------------------------------|--|------------------|
| | 31/8/20 | 31/8/19 |
| | £ | £ |
| Opening fair value of scheme assets | 2,992,000 | 2,609,000 |
| Contributions by employer | 196,000 | 186,000 |
| Contributions by scheme participants | 49,000 | 48,000 |
| Expected return | 59,000 | 76,000 |
| Actuarial gains/(losses) | (165,000) | 94,000 |
| Benefits paid | <u>(54,000)</u> | <u>(21,000)</u> |
| | <u>3,077,000</u> | <u>2,992,000</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

23. Pension and similar obligations - continued

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

| | Defined benefit pension plans | |
|--|-------------------------------|--------------------|
| | 31/8/20 £ | 31/8/19 £ |
| Actuarial (gains)/losses from changes in financial assumptions | 504,000 | (1,089,000) |
| | <u>504,000</u> | <u>(1,089,000)</u> |

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

| | Defined benefit pension plans | |
|----------|-------------------------------|------------------|
| | 31/8/20 £ | 31/8/19 £ |
| Equities | 2,092,360 | 2,034,560 |
| Bonds | 615,400 | 658,240 |
| Property | 246,160 | 239,360 |
| Cash | 123,080 | 59,840 |
| | <u>3,077,000</u> | <u>2,992,000</u> |

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 31/8/20 | 31/8/19 |
|--------------------------|---------|---------|
| Discount rate | 1.70% | 1.90% |
| Future salary increases | 2.60% | 2.70% |
| Future pension increases | 2.20% | 2.30% |

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

| | At 31/8/20 | At 31/8/19 |
|----------------------|------------|------------|
| Retiring today | | |
| Males | 21.2 | 22.1 |
| Females | 23.6 | 24.1 |
| Retiring in 20 years | | |
| Males | 22.1 | 24.4 |
| Females | 25.0 | 26.4 |

Sensitivity Analysis

| | Approx. monetary amount | |
|--|-------------------------|--------------|
| Change in assumption as at: | 31/8/20 £ | 31/8/19 £ |
| 0.5% decrease in Real Discount Rate | 669,000 | 735,000 |
| 0.5% increase in Salary Increase Rate | 84,000 | 149,000 |
| 0.5% increase in Pension Increase Rate | 572,000 | 569,000 |

St Joseph's College Edmund Rice Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2020**

24. 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 incurred a charge of £30,000 (2019: £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 £72,925 (2019: £68,346).

25. Agency arrangements

| | 2020 £ | 2019 £ |
|------------------|--------------|--------------|
| 16 to 19 Bursary | <u>9,501</u> | <u>4,720</u> |

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2020 the trust received £21,985 (2019: £20,221) and disbursed £12,484 (2019: £41,053) from the fund. An amount of £9,501 (2019: £4,720) is included in other creditors relating to undistributed funds that are repayable to ESFA.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

26. Teaching school trading account

| | 2019/20 £ | 2019/20 £ | 2019/20 £ | 2018/19 £ | 2018/19 £ | 2018/19 £ |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Income: | | | | | | |
| Direct income | | | | | | |
| Other income | | <u>537,261</u> | | | <u>637,265</u> | |
| Total income | | | 537,261 | | | 637,265 |
| Expenditure: | | | | | | |
| Direct costs | | | | | | |
| Direct staff costs | 126,833 | | | 117,758 | | |
| Staff development | - | | | - | | |
| Other direct costs | <u>286,020</u> | | | <u>346,719</u> | | |
| Total direct costs | | 412,853 | | | 464,477 | |
| Other costs: | | | | | | |
| Support staff costs | 48,714 | | | 42,438 | | |
| Recruitment and support | 541 | | | 550 | | |
| Security and support | - | | | - | | |
| Other support costs | <u>6,318</u> | | | <u>7,215</u> | | |
| Total other costs | | <u>55,573</u> | | | <u>50,203</u> | |
| Total expenditure | | | 468,426 | | | 514,680 |
| Surplus/(Deficit) from all sources | | | 68,835 | | | 122,585 |
| Teaching school balances at 1 September 2019 | | | <u>878,095</u> | | | <u>755,510</u> |
| Teaching school balances at 31 August 2020 | | | <u>946,930</u> | | | <u>878,095</u> |

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

| | 31/8/20 £ | 31/8/19 £ |
|---|------------------|-----------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (254,124) | 124,256 |
| Adjustments for: | | |
| Depreciation charges | 306,917 | 315,677 |
| Capital grants from DfE/ESFA | (303,682) | (661,658) |
| Interest received | (486) | (616) |
| Interest element of hire purchase and finance lease rental payments | 12,460 | 13,295 |
| Decrease/(increase) in debtors | 26,015 | (37,984) |
| (Decrease)/increase in creditors | (298,094) | 75,732 |
| Difference between pension charge and cash contributions | <u>250,000</u> | <u>161,000</u> |
| Net cash used in operations | <u>(248,524)</u> | <u>(10,298)</u> |

Notes to the Financial Statements - continued
for the Year Ended 31st August 2020

28.. Analysis of changes in net funds

| | At 1.9.19 £ | Cash flow £ | At 31.8.20 £ |
|--------------------------|------------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>801,496</u> | <u>2,634</u> | <u>804,130</u> |
| | <u>801,496</u> | <u>2,634</u> | <u>804,130</u> |
| Debt | | | |
| Finance leases | <u>(249,192)</u> | <u>17,541</u> | <u>(231,651)</u> |
| | <u>(249,192)</u> | <u>17,541</u> | <u>(231,651)</u> |
| Total | <u>552,304</u> | <u>20,175</u> | <u>572,479</u> |

29. Financial instruments

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Financial assets measured at amortised cost | <u>4,593</u> | <u>8,685</u> |
| Financial liabilities measured at amortised cost | <u>248,678</u> | <u>303,214</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.