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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Mr E J Coupe

Mr P J Gordon

The Trustees of the property held in connection with the English Province of the Congregation of the Christian Brothers

Trustees

Mr N Atkins

Br J Catterson

Dr J Challiner

Mrs L D Cooke

Mr J Devine

Mr N Dodd

Mr T Duffy (resigned 14 March 2017)

Mr S Flather

Mr A Franks

Mr G Higgins

Mrs M Hilton

Mr D Kavanagh (resigned 31 December 2016)

Mrs C Machin

Ms R Maguire (retired 31 December 2016)

Ms S P Moore

Ms M L Roberts (appointed 1 January 2017)

Mr P Robinson

Mr D Rushton (resigned 30 November 2016)

Mrs S Scott

Mr R Selby

Mr P Shufflebotham

Mr A Willis (appointed 1 September 2016)

Mrs M Wilshaw

Company registered number

07490390

Company name

St Joseph's College Edmund Rice Academy Trust

Principal and registered office

London Road, Trent Vale, Stoke on Trent, Staffordshire, ST4 5NT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

Mrs K Cleverley

Senior management team

Ms R Maguire, Head Teacher (retired 31 December 2016)
Ms M L Roberts, Head Teacher (appointed 1 January 2017)
Mr D McKenna, 1st Deputy Head Teacher
Mrs C Slattery, 2nd Deputy Head Teacher
Mr J Bryden, Assistant Head Teacher (resigned 31 August 2017)
Mr S Jones, Assistant Head Teacher
Mr R Christopherson, Assistant Head Teacher
Mrs K Cleverley, Finance Manager
Mr D Thorley, Estates Manager
Mrs F Uschmann, HR Manager/Heads PA

Independent auditors

Moore Stephens, Statutory Auditor, 1 Lakeside, Festival Way, Festival Park, Stoke on Trent, Staffordshire, ST1 5RY

Bankers

HSBC Bank PLC, Crown Bank, Hanley, Stoke on Trent, Staffordshire, ST1 1DA

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

Solicitors

Stone King Solicitors LLP, 13 Queen Square, Bath, BA1 2HJ

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Objectives and Activities

a. Objects and aims

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.

b. 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 fulfill 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. 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 2017 are summarised below;

STRIVING FOR EXCELLENCE (OUTCOMES)

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

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

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

EDUCATION FOR JUSTICE (PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE)

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

BUILDING A CHRISTIAN COMMUNITY (LEADERSHIP)

- To broaden leadership opportunities for staff.

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

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

d. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Achievements and performance

a. 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 150 students. Post-16 the school accepts over 100 students into year 12 from local 11-16 schools. Total pupil numbers in September 2017 were 1,125 (1,094 in 2016).

Public examination results are outstanding. The progress 8 score for summer 2017 GCSE results was 0.56 (positive value added almost two thirds of a GCSE grade per subject). The progress 8 score for summer 2016 was 0.38 and 2015 was 0.29. There is a clear upward trend. Progress in Maths and English has also improved significantly this year. The Maths progress 8 score is 0.16, increasing from -0.24 in 2016. The English progress 8 score is 0.65, increasing from 0.26 in 2016. At A level, the ALPS report graded students overall progress mid 5 which is in line with national average and a slight increase on last year's score. National indicators show that progress in both English and maths between key stages 2 and 4 are well above the levels expected given the students' starting points.

At A level, results show the school performs above the national standards, with the percentage of A* to B grades at 61% in 2017 (national figure = 53%). In addition, 99.5% of grades were at A*-E.

To ensure that standards are continually raised the Academy Trust operates a robust self-evaluation and review programme. Senior line managers frequently and regularly monitor student level progress with subject leaders. All subject leaders are experienced in leading reviews of other departments and annual departmental peer reviews take place. This year, however, the Academy Trust is considering undertaking a 'Sixth Form Review' in line with the School Improvement Plan. Senior staff 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 schools standards with that of the best schools nationally, and the college subscribes to national databases (e.g. ALPS, fftaspire) to benchmark performance at student, subject and whole school level and to provide robust and ambitious targets for individual students.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

b. Key performance indicators

- All members of the community are inspired in their journey of faith by the supportive Christian ethos.
- All students regularly participate in collective worship, including mass and the sacrament of reconciliation.
- All students demonstrate a personal integrity and strong moral values.
- All students actively participate in community work and fundraising for worthwhile projects.
- Many students participate successfully in competitive sporting fixtures.
- Our students have a collective progress 8 score of 0.58.
- 99.5% 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.

Analysis of employee matters;

- All advertisements for new posts generate a high level of interest, large number of applicants and subsequent appointments are always of a high quality.
- Our current staff numbers are: Teaching Staff 78, with 4 trainee teachers on the SCITT program at St Joseph's College. Support Staff: 57.
- There is excellent retention of support staff.
- There is excellent development of staff to leadership roles.

This last academic year our turnover of 13 staff comprised of 2 retiring, 1 returning to full time further education, 4 graduate teachers and the remaining moved to promotion or career change.

c. Investment policy

Where possible the Academy Trust's investment policy seeks to achieve a high quality return ensuring consideration to social and environment issues as well as to the ethos of the school. Under current circumstances the financial constraints of the Academy Trust are limited for fund investment; however we have currently invested £1.2m in a 1 year term at a rate of 0.80%, this investment is due to mature in April 2018.

Financial review

a. 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.

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TRUSTEES' REPORT (continued)
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b. Financial risk management objectives and policies

In accordance with the Academies statutes, the Trustees and senior staff are responsible for the administration and management of the Academy Trust's affairs. They are responsible for ensuring that:

- there is an effective system of internal control and that accounting records are properly kept;
- there are appropriate financial and management controls in place to safeguard the assets of the Academy Trust and prevent and detect fraud; and
- the Academy Trust secures economical, efficient and effective management of its resources and expenditure.

c. 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 is due to come into force September 2018, and the increasing cost pressures of salary and pension increases. This is being mitigated by continuing to ensure all possible funding streams and available income is received, and that the only expenditure allowed is that which is in the agreed budget. Systems including operating, financial and compliance controls have been established to mitigate those risks.

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

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TRUSTEES' REPORT (continued)
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d. 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 2017 the level of restricted reserves (excluding the pension reserve) was in deficit by £11k and unrestricted reserves were £nil. The Academy has a 5 year budget plan which shows that the Academy is expecting to return to a surplus position on restricted reserves (excluding the pension reserve) during the year ending 31 August 2020. 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 18 to the Financial Statements.

The deficit on the restricted LGPS pension fund as at 31 August 2017 was £1,319,000.

The Academy had tangible fixed assets with a carrying value of £11,563,841 at 31 August 2017 and at present the Academy does not have any plans to dispose of any assets.

e. 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 main school site, off site playing fields, a VI form building and an additional VI form Resource Centre purchased with capital funding from the ESFA. The Academy took over the existing lease of the VI form building and signed a new lease for the main school with the Academies Trustees. The Academy also took on the Local Government Pension Scheme liability at that time.

The Academies principal income is from the ESFA in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2017 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 2017 incoming resources were £455k of unrestricted income, £6,719k of restricted income (including general annual grant of £5,087k) and £2,654k of restricted fixed asset grant income relating to the construction of a new VI form facility. Total expenditure was £7,787k. The net movement in funds during the year ended 31 August 2017 was a deficit of £174k in unrestricted funds, a deficit of £11k in restricted general funds, a surplus of £37k in restricted pension reserve and a surplus of £2,421k in restricted fixed asset funds.

After these movements the funds carried forward at 31 August 2017 were £nil unrestricted funds, £11k deficit in restricted income funds, £1,319k of pension reserve and £11,564k of restricted fixed asset funds. The Academy has a 5 year budget plan which shows that the Academy is expecting to reverse the deficit in restricted income funds during the year ending 31 August 2020.

As at 31 August 2017 the Academy had a £1.2m investment in a 1 year fixed term cash deposit at a rate of 0.8%. This investment is due to mature in April 2018.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Structure, Governance and Management

a. 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 2017 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 Finance, Premises and Safety, Audit, Admissions, Pupil Support, Standards and Personnel. 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.

b. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

c. 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.

d. Method of recruitment and appointment or election of Trustees

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

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

Term of office

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

e. 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.

f. 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.

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

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

g. Connected organisations, including related party relationships

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

h. 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 £1,146.

Plans for future periods

a. Future developments

Teaching School

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

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

CPD (Continuing Professional Development)

- Joint INSET days/twilight sessions with local secondary schools.
- Bespoke INSET focusing on teaching and learning workshops lead by our best practitioners.
- Sharing good practice with other schools on school improvement from SLT/middle leaders.
- CPD programmes, where there is demand.
- Teaching Leaders Stoke hub hosted at St. Joseph's College.
- Subject knowledge development courses in conjunction with Keele university for science and lab technicians.
- Middle leadership development programmes to include NPQML with St Joseph's College facilitators.
- NQT Appropriate Body for primary and secondary NQTs regionally and providing CPD sessions to enhance NQT Induction led by St Joseph's College practitioners.
- Stimulating Physics Network and subject knowledge training for maths and physics teachers/non-specialists/returners to teaching.

ITT (Initial Teacher Training)

- St. Joseph's College Stoke Secondary Partnership has, as an accredited SCITT (School Centered Initial Teacher Training), running ITT (Initial Teacher Training) for cohorts of graduate trainees in local and regional schools; trainees gain QTS whilst following our school direct training programme. The SCITT is a separate department within the Teaching School, funded partly by NCTL for salaried trainees, and partly by The SLC (Student Loans Company) at a legal rate set by the SCITT for non-salaried trainees, and evaluated by NCTL and by Ofsted in 2-part inspections.
- Outstanding Professional and Subject Mentors for our SCITT.
- HMI mocksted of SCITT and external moderation of SCITT judgments of trainee progress are highly successful.
- Successful NCTL audit of SCITT governance and finance.
- 100% of trainees pass training year as exceeding minimum expectations or outstanding.
- 97% of trainees gain NQT positions whilst in their training year.
- Supporting other schools' ITT needs e.g. Teach First placements, Assessment Only Routes to QTS, and primary trainee placements.

SLE (Specialist Leaders of Education)

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

- In 2014-15: Research Lesson Study national pilot, working with the NCTL, CUREE, and Oxford University to improve literacy and 'close the gap' in attainment for identified students.
- In 2015-16/16-17: SSAT Embedding Formative Assessment project, working with whole staff in 'learning communities' to drive CPD in teaching and learning.
- In 2017-18: Application for Research School Status.

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 the leaders of tomorrow, acting justly and with integrity and moral purpose.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Moore Stephens undertook the audit process for the stated year. A tendering process will follow to appoint auditors for the next financial year.

The Trustees' report was approved by order of the Governing Body, as the company directors, on 18/12/17 and signed on its behalf by:


.....
Mr A Franks
Chair of Governors

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GOVERNANCE STATEMENT

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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Joseph's College Edmund Rice Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Atkins	4	4
Br J Catterson	4	4
Dr J Challiner	2	4
Mrs L D Cooke	3	4
Mr J Devine	3	4
Mr N Dodd	4	4
Mr T Duffy (resigned 14/03/2017)	0	3
Mr S Flather	4	4
Mr A Franks	4	4
Mr G Higgins	3	4
Mrs M Hilton	3	4
Mr D Kavanagh (resigned 31/12/2016)	2	2
Mrs C Machin	3	4
Ms R Maguire (retired 31/12/2016)	2	2
Ms S P Moore	4	4
Ms M L Roberts (appointed 01/01/2017)	2	2
Mr P Robinson	1	4
Mr D Rushton	0	0
Mrs S Scott	4	4
Mr R Selby	2	4
Mr P Shufflebotham	3	4
Mr A Willis (appointed 01/09/2016)	4	4
Mrs M Wilshaw	4	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.

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GOVERNANCE STATEMENT (continued)

Committee meetings are structured to allow for timely strategic decisions for the business of the Academy and an annual governor's plan supporting this is in place for every committee, and is reviewed at every meeting. The Audit Committee undertakes timely reviews and audits of each committee and makes any recommendations. All Chairs of each committee present to the audit committee and ensure these recommendations are implemented.

The Chair and one of the Vice Chairs have completed the NCTL Governors training and undertaken the 360 degrees evaluation and two further Governors have completed the Governor Mark training. During this academic year, the Governing Body has tasked a working party with the job of reviewing the committee structure to ascertain if the current composition and structure is conducive to effective working, with the intent of implementing any changes for September 2017.

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

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

The Finance 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 J Devine	4	5
Ms M L Roberts (appointed 01/01/2017)	3	3
Ms R Maguire (retired 31/12/2016)	2	2
Mr P Robinson	0	5
Mr R Selby	4	5
Mrs S Scott	5	5

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 N Atkins	4	6
Ms R Maguire (retired 31/12/2016)	2	2
Mr G Higgins	3	6
Mr P Shufflebotham	6	6
Mr J Devine	5	6
Ms M L Roberts (appointed 01/01/2017)	4	4

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

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Improving Educational Results

Progress - The progress 8 score for summer 2017 GCSE results was 0.56 (positive value added almost two thirds of a GCSE grade per subject). The progress 8 score for summer 2016 was 0.38 and 2015 was 0.29. There is a clear upward trend. Progress in Maths and English has also improved significantly this year. The Maths progress 8 score is 0.16, increasing from -0.24 in 2016. The English progress 8 score is 0.65, increasing from 0.26 in 2016. At A level, the ALPS report graded students overall progress mid 5 which is in line with national average and a slight increase on last year's score.

Attainment – In the summer of 2017, the school's Attainment 8 score was 61.44. The percentage of students scoring 7-9 in English language was 36% and 4-9 in English language was 93%. In English literature the percentage of students scoring 7-9 was 42% and 4-9 was 93%. As for maths, the percentage of students achieving 7-9 was 34% and 4-9 was 97%. This is a new measure for this academic year, based on the new grading system and as such there is no prior attainment data which is comparable.

Attainment at A level was above the national average in the summer of 2016. At A level, 61.5% of grades were A* to B (53% nationally) and 99.5% of grades were A* to E (98% nationally).

Targeted Improvement and Focus on Individual Pupils/Groups

Pupil premium students:

We had four pupil premium students in year 11 in the summer of 2017. These students achieved a progress 8 score of 0.3, which is below the progress 8 score for all students at St. Joseph's.

Students with special educational needs:

We had four students in year 11 in the summer of 2017 who were receiving SEN support. The students have an average Attainment 8 score of 51.5.

Collaboration

- Ambition Leaders' organisations, Keele University and NCTL delivering in-house training for other local schools to support leadership development and science subject knowledge enhancement.
- NPQML facilitators from St. Joseph's College TSA, with Lawrence Sherriff as licence holder, successful in taking cohorts of local middle leaders through the NPQML NCTL programme.
- Inviting participants from our school and local schools, where need is identified on INSET days e.g. Every Lesson Counts.
- Providing mentor training to city schools for Initial Teacher Training.
- CPD courses where commissioned, for example: ITP/OTP, NPQML, TLDP/ATLDP, Stimulating Physics Network subject development sessions, learning walks.
- Joint INSET days and teaching and learning workshops with participants from local schools to share good practice.
- Maintaining a SCITT with ITT accreditation for Graduate Trainees across Stoke, Staffordshire, Cheshire and Walsall LA.

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

- Running NQT training & Induction verification for the city, as an Appropriate Body.
- Middle Leaders chairing SASCAL subject networks, linked to LA initiatives.
- Partner schools' Senior Leaders sit on the SCITT Steering Group.
- Advertising SCITT trainee profiles widely to ensure a pool of talent for local schools to recruit from and funded school experience programmes for prospective trainees.
- Engagement with research-based projects such as 'Embedding Formative Assessment' and applications for Research School status.
- Support of schools placed via deployment funded action plans to include outreach of SLEs and middle & senior leaders from timetable capacity or with associated internal back-fill from our staff.
- SLE designation and training for city-wide SLEs within the Teaching School Alliance.
- SLEs provide CPD for city school leaders and teachers e.g. SEND, ITT, coaching and mentoring under-performing teachers, NQT induction, department improvement plans.

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.

Financial

All services and contracts are regularly reviewed to ensure the Academy Trust always receives good value for money and that all goods are fit for purpose. The Academy Trust always ensures that the right balance between the cost, quality and timeliness of purchases. We have reduced costs by reviewing all services and contracts, and by renegotiating costs of existing suppliers or renegotiating new contracts without reducing quality or service. All procurement for goods and services are individually assessed and a decision is made in accordance to the agreed guidelines in the 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.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Joseph's College Edmund Rice Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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

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 1 September 2016 to 31 August 2017 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 not to appoint an internal auditor. However, the Trustees have appointed G Higgins, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of school fund procedures
- testing of purchase systems
- review of the accounting systems
- testing of payroll systems

The RO reports to the Governing Body through the audit committee 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 has been no material control issues arising as a result of the Responsible Officer's work.

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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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 Governing Body on 18/12/17 and signed on their behalf, by:



.....
Mr A Franks
Chair of Governors



.....
Ms M L Roberts
Accounting Officer

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

As Accounting Officer of St Joseph's College Edmund Rice Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

Except for the matter detailed below 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.

Gifts, donations and hospitality

The Academy Trust made several gifts during the early part of the year in breach of its Gifts, Donations & Hospitality Policy without prior approval from the board.

The above matter has previously been notified to the ESFA.


.....
Ms M L Roberts
Accounting Officer

18/12/17

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as trustees for charitable activities 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 Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

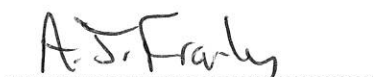
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 18/12/17 and signed on its behalf by:



Mr A Franks
Chair of Governors

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure accounts, the Balance sheet, the Statement of cash flows and the related 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST

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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report, including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law 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 academy trust 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.

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST

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's or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an Auditor's report 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. The description forms part of our Auditor's report.

Moore Stephens

Ashley M Conway (Senior statutory auditor)
for and on behalf of

Moore Stephens, Statutory Auditor

Chartered Accountants

1 Lakeside

Festival Way

Festival Park

Stoke on Trent

Staffordshire

ST1 5RY

Date: 18/12/17 .

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' 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 letter dated 17 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 year 1 September 2016 to 31 August 2017 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 dated 28 January 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 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's income and expenditure.

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST
JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on control activities which are relevant to regularity; and
- on a sample basis, substantive testing of individual transactions.

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gifts, donations and hospitality

The Academy Trust made several gifts during the early part of the year in breach of its Gifts, Donations & Hospitality Policy without prior approval from the board.

Moore Stephen.

Moore Stephens
Chartered Accountants
1 Lakeside
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5RY

Date: *18/12/17*

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	68,484	-	2,674,810	2,743,294	185,245
Charitable activities:	5					
Funding for the academy trust's educational operations		339,486	6,190,235	-	6,529,721	6,418,873
Teaching school		-	529,069	-	529,069	671,701
Other trading activities	3	34,924	-	-	34,924	29,670
Investments	4	12,298	-	-	12,298	9,594
TOTAL INCOME		455,192	6,719,304	2,674,810	9,849,306	7,315,083
EXPENDITURE ON:						
Raising funds		32,467	-	-	32,467	9,424
Charitable activities:						
Academy trust's educational operations		-	6,992,876	254,915	7,247,791	6,983,953
Teaching school		-	507,050	-	507,050	497,624
TOTAL EXPENDITURE	6	32,467	7,499,926	254,915	7,787,308	7,491,001
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		422,725	(780,622)	2,419,895	2,061,998	(175,918)
Transfers between Funds	18	(596,657)	595,786	871	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(173,932)	(184,836)	2,420,766	2,061,998	(175,918)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	211,000	-	211,000	(154,000)
NET MOVEMENT IN FUNDS		(173,932)	26,164	2,420,766	2,272,998	(329,918)
RECONCILIATION OF FUNDS:						
Total funds brought forward		173,932	(1,356,000)	9,143,075	7,961,007	8,290,925
TOTAL FUNDS CARRIED FORWARD		-	(1,329,836)	11,563,841	10,234,005	7,961,007

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07490390

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		11,563,841		9,143,075
CURRENT ASSETS					
Debtors	13	328,933		156,382	
Investments	14	1,200,000		900,000	
Cash at bank and in hand		544,077		1,425,512	
		<u>2,073,010</u>		<u>2,481,894</u>	
CREDITORS: amounts falling due within one year	15	(1,720,925)		(2,026,155)	
NET CURRENT ASSETS			<u>352,085</u>		<u>455,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,915,926</u>		<u>9,598,814</u>
CREDITORS: amounts falling due after more than one year	16		(265,897)		(281,807)
Provisions for Liabilities	17		<u>(97,024)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>11,553,005</u>		<u>9,317,007</u>
Defined benefit pension scheme liability	23		<u>(1,319,000)</u>		<u>(1,356,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>10,234,005</u></u>		<u><u>7,961,007</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	(10,836)		-	
Restricted fixed asset funds	18	11,563,841		9,143,075	
Restricted income funds excluding pension liability		11,553,005		9,143,075	
Pension reserve		<u>(1,319,000)</u>		<u>(1,356,000)</u>	
Total restricted income funds			<u>10,234,005</u>		<u>7,787,075</u>
Unrestricted income funds	18		-		173,932
TOTAL FUNDS			<u><u>10,234,005</u></u>		<u><u>7,961,007</u></u>

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

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 27 to 57 were approved by the Trustees, and authorised for issue, on 18/12/17 and are signed on their behalf, by:


.....
Mr A Franks
Chair of Governors

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>(23,976)</u>	<u>(30,737)</u>
Cash flows from investing activities:			
Interest received		12,298	9,594
Purchase of tangible fixed assets		(2,316,686)	(121,603)
Capital grants from DfE/ESFA		1,776,929	1,167,720
Purchase of investments		<u>(300,000)</u>	<u>(900,000)</u>
Net cash (used in)/provided by investing activities		<u>(827,459)</u>	<u>155,711</u>
Cash flows from financing activities:			
Repayments of obligations under finance lease		(15,152)	(14,431)
Interest paid		<u>(14,848)</u>	<u>(15,569)</u>
Net cash used in financing activities		<u>(30,000)</u>	<u>(30,000)</u>
Change in cash and cash equivalents in the year		(881,435)	94,974
Cash and cash equivalents brought forward		<u>1,425,512</u>	<u>1,330,538</u>
Cash and cash equivalents carried forward	21	<u><u>544,077</u></u>	<u><u>1,425,512</u></u>

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the 'Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), the '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)' (SORP 2015), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Joseph's College Edmund Rice Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.5 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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

1.7 Tangible fixed assets and depreciation

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 expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years
L/Term Leasehold land	-	over 125 years
L/Term Leasehold buildings	-	over 50 years
Motor vehicles	-	over 5 years
Fixtures and fittings	-	over 4- 5 years
ICT 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 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.

1.10 Taxation

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

1.11 Debtors

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

1.12 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.

1.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments. Debt instruments measured at amortised cost are detailed in note 28. 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 28. 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 instruments.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.16 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 26.

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments 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 2017. 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 Trustees have considered the possibility that the academy trust may be liable for dilapidation works on the leased sixth form premises at Stone House. During the year the academy trust gave notice to terminate the lease arrangement and has since been in negotiation with the landlord about the probable liability. As a result, a provision for dilapidation works has been made for £97,024 based on the estimated cost to complete the works. This cost has been expensed in full given that the academy trust's notice period ends shortly after the balance sheet date.

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

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

Critical areas of judgment:

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%.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	68,484	-	-	68,484	56,216
Capital Grants	-	-	2,674,810	2,674,810	129,029
	<u>68,484</u>	<u>-</u>	<u>2,674,810</u>	<u>2,743,294</u>	<u>185,245</u>
<i>Total 2016</i>	<u>56,216</u>	<u>-</u>	<u>129,029</u>	<u>185,245</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other activities for generating funds	34,924	-	34,924	29,670
	<u>34,924</u>	<u>-</u>	<u>34,924</u>	<u>29,670</u>
<i>Total 2016</i>	<u>14,790</u>	<u>14,880</u>	<u>29,670</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	12,298	-	12,298	9,594
	<u>12,298</u>	<u>-</u>	<u>12,298</u>	<u>9,594</u>
<i>Total 2016</i>	<u>9,594</u>	<u>-</u>	<u>9,594</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,086,541	5,086,541	5,070,307
Other DfE/ESFA Grants	-	145,764	145,764	306,368
National college grants (within 'Teaching school income')	-	429,290	429,290	583,182
	-	5,661,595	5,661,595	5,959,857
Other government grants				
Local authority grants	-	208,316	208,316	225,576
	-	208,316	208,316	225,576
Other funding				
Other income from the academy trust's educational operations	339,486	749,614	1,089,100	816,622
Other teaching school income	-	99,779	99,779	88,519
	339,486	849,393	1,188,879	905,141
	339,486	6,719,304	7,058,790	7,090,574
<i>Total 2016</i>	377,096	6,713,478	7,090,574	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	32,467	32,467	9,424
Academy's educational operations:					
Direct costs	4,160,496	255,338	504,010	4,919,844	4,799,074
Support costs	739,778	171,636	1,416,533	2,327,947	2,184,879
Teaching school:					
Direct costs	200,641	-	250,648	451,289	433,655
Support costs	49,284	-	6,477	55,761	63,969
	<u>5,150,199</u>	<u>426,974</u>	<u>2,210,135</u>	<u>7,787,308</u>	<u>7,491,001</u>
<i>Total 2016</i>	<u>4,979,160</u>	<u>470,348</u>	<u>2,041,493</u>	<u>7,491,001</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations	4,919,844	2,327,947	7,247,791	6,983,953
Teaching school	451,289	55,761	507,050	497,624
	<u>5,371,133</u>	<u>2,383,708</u>	<u>7,754,841</u>	<u>7,481,577</u>
<i>Total 2017</i>	<u>5,371,133</u>	<u>2,383,708</u>	<u>7,754,841</u>	<u>7,481,577</u>
<i>Total 2016</i>	<u>5,232,729</u>	<u>2,248,848</u>	<u>7,481,577</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Academy's educational operations £	Teaching school £	Total 2017 £	Total 2016 £
Educational supplies	158,921	33,477	192,398	203,255
Examination fees	158,824	2,400	161,224	149,396
Staff development	39,859	3,808	43,667	20,951
Other direct costs	146,829	210,963	357,792	283,496
Wages and salaries	3,278,139	164,197	3,442,336	3,431,179
National insurance	329,873	20,915	350,788	308,963
Pension cost	552,484	15,529	568,013	571,321
Depreciation	254,915	-	254,915	264,168
	<u>4,919,844</u>	<u>451,289</u>	<u>5,371,133</u>	<u>5,232,729</u>
<i>At 31 August 2016</i>	<u>4,799,074</u>	<u>433,655</u>	<u>5,232,729</u>	

Analysis of support costs

	Academy's educational operations £	Teaching school £	Total 2017 £	Total 2016 £
Pension scheme interest cost	30,000	-	30,000	43,000
Staff costs	739,778	49,284	789,062	667,697
Recruitment and support	16,882	1,084	17,966	41,162
Maintenance of premises and equipment (including dilapidations of £97,024)	173,244	-	173,244	79,123
Equipment rental	13,047	-	13,047	14,764
Technology costs	80,325	-	80,325	86,882
Cleaning	152,771	2,276	155,047	154,226
Rent and rates	115,045	-	115,045	127,057
Insurance	56,591	-	56,591	71,044
Transport and security	43,001	-	43,001	47,515
Catering	200,987	2,285	203,272	217,230
Finance lease interest payable	14,848	-	14,848	15,569
School trips	473,399	-	473,399	348,079
Other support costs	206,944	832	207,776	325,924
Governance costs	11,085	-	11,085	9,576
	<u>2,327,947</u>	<u>55,761</u>	<u>2,383,708</u>	<u>2,248,848</u>
<i>At 31 August 2016</i>	<u>2,184,879</u>	<u>63,969</u>	<u>2,248,848</u>	

ST JOSEPH'S COLLEGE EDMUND RICE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	132,244	141,497
- held under long term lease	122,671	122,671
Auditors' remuneration - audit	6,400	6,850
Auditors' remuneration - other services	3,500	2,500
Operating lease rentals	91,201	92,725
Gifts made by the trust	1,574	4,343
Dilapidations	97,024	-
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,949,389	3,932,033
Social security costs	387,234	339,600
Operating costs of defined benefit pension schemes	811,588	707,527
	<u>5,148,211</u>	<u>4,979,160</u>
	1,988	-
Apprenticeship levy	<u>5,150,199</u>	<u>4,979,160</u>

The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teachers	71	76
Administration and support	54	68
Management	10	10
	<u>135</u>	<u>154</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	3
In the band £130,001 - £140,000	0	1

Four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for these staff amounted to £41,966 (2016: £52,685).

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 £801,348 (2016: £824,507).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

GOVERNORS' REMUNERATION AND EXPENSES

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:

	2017 £	2016 £
Remuneration		
Ms R Maguire, Principal	45,000 - 50,000	130,000 - 135,000
Ms M L Roberts, Principal	55,000 - 60,000	0 - 5,000
Dr M Robinson, Staff Governor	N/A	45,000 - 50,000
Mrs C Machin, Staff Governor	25,000 - 30,000	25,000 - 30,000
Mrs L Cooke, Staff Governor	30,000 - 35,000	30,000 - 35,000
Mr A Willis, Staff Governor	45,000 - 50,000	0 - 5,000

Employers Pension Contributions

Ms R Maguire, Principal	5,000 - 10,000	20,000 - 25,000
Ms M L Roberts, Principal	5,000 - 10,000	0 - 5,000
Dr M Robinson, Staff Governor	0 - 5,000	5,000 - 10,000
Mrs C Machin, Staff Governor	5,000 - 10,000	5,000 - 10,000
Mrs L Cooke, Staff Governor	5,000 - 10,000	5,000 - 10,000
Mr A Willis, Staff Governor	5,000 - 10,000	N/A

During the period ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £nil)

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,146 (2016 - £1,109). The cost of this insurance is included in the total insurance cost.

11. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	40,000	54,000
Interest on pension scheme liabilities	(70,000)	(97,000)
	<u>(30,000)</u>	<u>(43,000)</u>

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12. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £
Cost				
At 1 September 2016	3,085,793	6,695,229	24,115	222,787
Additions	-	-	15,595	8,769
Disposals	-	-	-	(1,439)
At 31 August 2017	3,085,793	6,695,229	39,710	230,117
Depreciation				
At 1 September 2016	184,380	684,913	24,115	158,218
Charge for the year	61,716	122,671	2,079	34,783
On disposals	-	-	-	(1,121)
At 31 August 2017	246,096	807,584	26,194	191,880
Net book value				
At 31 August 2017	2,839,697	5,887,645	13,516	38,237
At 31 August 2016	2,901,413	6,010,316	-	64,569
		ICT equipment £	Assets under construction £	Total £
Cost				
At 1 September 2016		193,625	104,582	10,326,131
Additions		10,609	2,641,131	2,676,104
Disposals		(1,390)	-	(2,829)
At 31 August 2017		202,844	2,745,713	12,999,406
Depreciation				
At 1 September 2016		131,430	-	1,183,056
Charge for the year		33,666	-	254,915
On disposals		(1,285)	-	(2,406)
At 31 August 2017		163,811	-	1,435,565
Net book value				
At 31 August 2017		39,033	2,745,713	11,563,841
At 31 August 2016		62,195	104,582	9,143,075

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12. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
L/T leasehold property	<u>5,887,645</u>	<u>6,010,316</u>

13. DEBTORS

	2017 £	2016 £
Trade debtors	1,475	17,202
Other debtors	243,615	75,757
Prepayments and accrued income	83,843	63,423
	<u>328,933</u>	<u>156,382</u>

14. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Fixed term deposit	<u>1,200,000</u>	<u>900,000</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	15,910	15,152
Trade creditors	102,332	127,947
Other taxation and social security	1,076	1,076
Other creditors	25,171	25,105
Accruals and deferred income	1,576,436	1,856,875
	<u>1,720,925</u>	<u>2,026,155</u>

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15. CREDITORS: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	1,619,386	703,152
Resources deferred during the year	958,201	1,619,386
Amounts released from previous years	(1,619,386)	(703,152)
Deferred income at 31 August 2017	<u>958,201</u>	<u>1,619,386</u>

Creditors includes £958,201 (2016: £1,619,386) 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:

	2017 £	2016 £
SCITT	-	50,583
Rates income	18,609	-
Capital devolved funding	25,229	24,953
DfE Capital Purchase - Stone house	373,333	443,333
MEP Maths Hub	362,423	359,954
CIF Funding	115,581	653,784
NLE Bursary	-	6,000
Teaching school grant	-	40,000
Self funding trips	61,524	37,684
DT Consumables	1,502	3,095
Total	<u>958,201</u>	<u>1,619,386</u>

16. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	<u>265,897</u>	<u>281,807</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	<u>193,896</u>	<u>213,234</u>

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16. CREDITORS: Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2017 £	2016 £
Between one and five years	72,001	68,573
After five years	193,896	213,234
	<u>265,897</u>	<u>281,807</u>

17. PROVISIONS

	Dilapidations £
At 1 September 2016	-
Additions	97,024
At 31 August 2017	<u>97,024</u>

Dilapidations

A provision for dilapidation works has been made based on the estimated cost to complete the works. It is expected that this liability will be payable during the next financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	173,932	455,192	(32,467)	(596,657)	-	-
Restricted funds						
General Annual Grant (GAG)	-	5,086,541	(5,693,163)	595,786	-	(10,836)
Other DfE/ESFA Grants	-	575,054	(575,054)	-	-	-
Local Authority Grants	-	208,316	(208,316)	-	-	-
Other restricted funds	-	849,393	(849,393)	-	-	-
Pension reserve	(1,356,000)	-	(174,000)	-	211,000	(1,319,000)
	<u>(1,356,000)</u>	<u>6,719,304</u>	<u>(7,499,926)</u>	<u>595,786</u>	<u>211,000</u>	<u>(1,329,836)</u>
Restricted fixed asset funds						
Methodist Hall	375,283	-	(8,158)	-	-	367,125
General fixed asset fund	126,764	33,679	(70,528)	871	-	90,786
Sports Hall	2,526,131	-	(53,558)	-	-	2,472,573
London Road site	6,010,315	-	(122,671)	-	-	5,887,644
Sixth form	104,582	2,641,131	-	-	-	2,745,713
	<u>9,143,075</u>	<u>2,674,810</u>	<u>(254,915)</u>	<u>871</u>	<u>-</u>	<u>11,563,841</u>
Total restricted funds	<u>7,787,075</u>	<u>9,394,114</u>	<u>(7,754,841)</u>	<u>596,657</u>	<u>211,000</u>	<u>10,234,005</u>
Total of funds	<u>7,961,007</u>	<u>9,849,306</u>	<u>(7,787,308)</u>	<u>-</u>	<u>211,000</u>	<u>10,234,005</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	112,840	457,696	(9,424)	(387,180)	-	173,932
	<u>112,840</u>	<u>457,696</u>	<u>(9,424)</u>	<u>(387,180)</u>	<u>-</u>	<u>173,932</u>

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18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	5,070,307	(5,464,914)	394,607	-	-
Other DfE/ESFA Grants	-	862,760	(862,760)	-	-	-
Local Authority Grants	-	225,576	(225,576)	-	-	-
Other restricted funds	-	569,715	(569,715)	-	-	-
Pension reserve	(1,108,000)	-	(94,000)	-	(154,000)	(1,356,000)
	<u>(1,108,000)</u>	<u>6,728,358</u>	<u>(7,216,965)</u>	<u>394,607</u>	<u>(154,000)</u>	<u>(1,356,000)</u>

Restricted fixed asset funds

Methodist Hall	383,441	-	(8,158)	-	-	375,283
General fixed asset fund	189,970	24,447	(80,226)	(7,427)	-	126,764
Sports Hall	2,579,688	-	(53,557)	-	-	2,526,131
London Road site	6,132,986	-	(122,671)	-	-	6,010,315
Sixth form	-	104,582	-	-	-	104,582
	<u>9,286,085</u>	<u>129,029</u>	<u>(264,612)</u>	<u>(7,427)</u>	<u>-</u>	<u>9,143,075</u>
Total restricted funds	<u>8,178,085</u>	<u>6,857,387</u>	<u>(7,481,577)</u>	<u>387,180</u>	<u>(154,000)</u>	<u>7,787,075</u>
Total of funds	<u>8,290,925</u>	<u>7,315,083</u>	<u>(7,491,001)</u>	<u>-</u>	<u>(154,000)</u>	<u>7,961,007</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 the 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.

Transfers between the unrestricted general fund and the restricted fund relate to the transfer of unrestricted catering income to fund restricted catering expenditure, and the transfer of all other unrestricted funds, both brought forward and received in the year, to fund restricted expenditure in excess of restricted income.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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 2017.

The academy is carrying a net deficit of £10,836 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason.

Restricted expenditure (including dilapidations of £97,024) was in excess of the total of unrestricted and restricted general funds income in year ended 31 August 2017.

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 expecting to return to a surplus position on restricted reserves (excluding the pension reserve) during the year ending 31 August 2020. 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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,563,841	11,563,841
Current assets	-	1,572,782	500,228	2,073,010
Creditors due within one year	-	(1,220,697)	(500,228)	(1,720,925)
Creditors due in more than one year	-	(265,897)	-	(265,897)
Provisions for liabilities and charges	-	(1,416,024)	-	(1,416,024)
	-	(1,329,836)	11,563,841	10,234,005

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	9,143,075	9,143,075
Current assets	173,932	2,307,962	-	2,481,894
Creditors due within one year	-	(2,026,155)	-	(2,026,155)
Creditors due in more than one year	-	(281,807)	-	(281,807)
Provisions for liabilities and charges	-	(1,356,000)	-	(1,356,000)
	173,932	(1,356,000)	9,143,075	7,961,007

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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,061,998	(175,918)
Adjustment for:		
Depreciation charges	254,915	264,168
Interest payable	14,848	15,569
Interest receivable	(12,298)	(9,594)
Loss on the sale of fixed assets	423	445
Increase in debtors	(172,551)	(42,532)
(Decrease)/increase in creditors	329,499	(47,846)
Capital grants from DfE and other capital income	(2,674,810)	(129,029)
Defined benefit pension scheme cost less contributions payable	144,000	51,000
Defined benefit pension scheme finance cost	30,000	43,000
Net cash used in operating activities	(23,976)	(30,737)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	544,077	1,425,512
Total	544,077	1,425,512

22. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	436,565	-

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £2,014 were payable to the schemes at 31 August 2017 (2016 - £2,013) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £486,730 (2016 - £491,885).

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

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

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23. PENSION COMMITMENTS (continued)

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 2017 was £233,000 (2016 - £214,000), of which employer's contributions totalled £183,000 (2016 - £166,000) and employees' contributions totalled £50,000 (2016 - £48,000). The agreed contribution rates for future years are 22% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,690,000	1,346,000
Debt instruments	267,000	198,000
Property	178,000	144,000
Cash	89,000	108,000
Total market value of assets	<u>2,224,000</u>	<u>1,796,000</u>

The actual return on scheme assets was £180,000 (2016 - £230,000).

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23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(327,000)	(217,000)
Interest income	40,000	54,000
Interest cost	(70,000)	(97,000)
Total	<u>(357,000)</u>	<u>(260,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,152,000	2,424,000
Current service cost	327,000	217,000
Interest cost	70,000	97,000
Employee contributions	50,000	48,000
Actuarial (gains)/losses	(31,000)	384,000
Benefits paid	(25,000)	(18,000)
Closing defined benefit obligation	<u>3,543,000</u>	<u>3,152,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,796,000	1,316,000
Interest income	40,000	54,000
Actuarial gains	180,000	230,000
Employer contributions	183,000	166,000
Employee contributions	50,000	48,000
Benefits paid	(25,000)	(18,000)
Closing fair value of scheme assets	<u>2,224,000</u>	<u>1,796,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	45,577	91,435
Between 1 and 5 years	16,519	317,165
After more than 5 years	-	70,000
Total	<u>62,096</u>	<u>478,600</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the academy's financial regulations and normal procurement procedures.

During the year the academy paid £30,000 (2016 - £30,000) to the Congregation of Christian Brothers, a member of the Academy, 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 £121,114 (2016 - £118,965).

26. AGENCY ARRANGEMENTS

	2017 £	2016 £
16 to 19 Bursary	<u>28,361</u>	<u>25,400</u>

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the trust received £22,426 (2016: £23,473) and disbursed £19,465 (2016: £18,216) from the fund. An amount of £28,361 (2016: £25,400) is included in other creditors relating to undistributed funds that is repayable to ESFA.

27. MEMBERS LIABILITY

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

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**NOTES TO THE FINANCIAL STATEMENTS
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28. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	1,475	17,202
Financial liabilities measured at amortised cost	384,139	424,906

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.