

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

Annual Report and Financial Statements

Year Ended 31 August 2013

**Company Registration Number:
07696999 (England and Wales)**

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Reference and administrative details

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

| | | |
|------------------------------------|---|---|
| Governors | Rev T D Aspell L Banda Mrs E M Barrett D G Bason R C Collins K N Cowie Mrs M A Harries S J Harlow P Hughes S F Lake C B Lang A J Matthews Mrs L Skittrail A J Szeliga D A Nunes | Appointed 05/12/12 Resigned 31/03/13 Appointed 01/09/12 Appointed 01/09/13 Appointed 01/09/12 |
| Secretary | Mrs H Peace | |
| Senior management team | P Hughes Mrs M A Harries B Slater Mrs C Bailey Mrs K Sanders N Hathaway A Stoten Mrs H Peace | Principal from 01/09/13 Principal to 31/03/13 Assistant Principal (Joint Acting Principal from 01/04/13 – 31/08/13) Assistant Principal Assistant Principal Assistant Principal (Joint Acting Principal from 01/04/13 – 31/08/13) Assistant Principal Director of Finance & Operations |
| Registered Office | St Joseph's Catholic College Ocotal Way Swindon SN3 3LR | |
| Company Registration Number | 07696999 | |
| Auditors | Monahans Statutory auditors 38-42 Newport Street Swindon SN1 3DR | |
| Bankers | Natwest Swindon Commercial Road Branch 84 Commercial Road Swindon SN1 5NW | |
| Solicitors | VWV Orchard Court Orchard Lane Bristol BS1 5WS | |

Governors' Report

The governors present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2013.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity, incorporated on 7th July 2011 and converted on 1st August 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

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

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

Members' Liability

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

Governors' Indemnities

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

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

Principle Activities

The Principle activity is to advance for the public benefit in the United Kingdom a Catholic College which shall establish, maintain, manage and develop a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church.

Method of Recruitment and Appointment or Election of Governors

The majority of governors are appointed for four years from the formation of the Academy. The College converted to academy status in August 2011.

Governors' Report (continued)

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

- 9 Foundation governors who are appointed by the Catholic Bishop of Clifton
- 2 Parent governors
- 2 Staff governors
- 1 Additional governor
- The Principal who is treated for all purposes as being an ex officio governor

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

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

Policies and Procedures Adopted for the Induction and Training of governors.

The Academy has a governor Recruitment and Induction Policy.

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

Organisational Structure

The full governing body normally meet four times per year. They establish an overall framework for the Governance of the College and determine membership, terms of reference and procedures of sub committees and other groups. These are reviewed annually as are the positions of Chair and Vice Chair on ALL committees. The full governing body monitors the activities of the sub committees through the minutes and Chair's verbal reports at each full governors meeting. Additionally, the governors may, from time to time, establish Working Groups to undertake and perform specific tasks over a limited timescale.

There are five committees, as follows:

- Finance and Premises
- Staff and Students
- Learning and Teaching
- Strategy Group
- Principal Performance Management
- Admissions Panel

The governors have devolved responsibility for day to day management of the College to the Principal and Senior Leadership Team

The responsibilities of each member of the Senior Leadership Team are reviewed annually and discussed with Members of the Senior Leadership Team are ex-officio members of relevant governing Committees.

The Senior Leadership Team comprises of a Principal, five Assistant Principals and a Director of Finance and Operations.

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

Governors' Report (continued)

Risk Management

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

The objectives for managing risk across the College are:

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

Connected Organisations, including Related Party Relationships

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

Objectives and Activities

Objects and Aims

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing and 11 – 18 years Catholic faith based College designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use the land used by the Academy both generally and particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

Objectives, Strategies and Activities

The Colleges objective is to provide a rigorous and broad education within the context of a Christian environment. An understanding of the Catholic faith, in line with the Gospel values, underpins the whole work of the College.

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

The Key priorities for the year 2012/13 are contained in our College Improvement Plan and include

- To improve Achievement and Progress
- Improving Quality Assurance
- Development of Leadership and Management
- Developing Ethos
- Curriculum and Staffing reviews to demonstrate best value.

Public Benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities. All of our charitable activities are undertaken to further our charitable purposes for the public benefit.

Governors' Report (continued)

Achievements and Performance

The College was inspected in July by Ofsted. The College was judged over time against national progress measures for young people from 11 to 19 years of age. The last full Ofsted report was in 2008 and since then the framework for inspection has changed. The judgement was that the College requires **special measures** which mean that we will now come under extremely close scrutiny from the Department for Education and Ofsted to ensure we demonstrate consistently stronger outcomes for our young people.

The judgement was not a snapshot at a particular moment in time. It is to a certain extent a legacy judgement which was influenced by our 2010 - 2012 results as well as the observations in July. For example, our GCSE results in 2012 were 42 % 5 A*-C including English and Maths. In August this year the pupils achieved 66.5% A*-C grades including English and Maths.

At the time of the inspection in July the College did not have a substantive Principal in post. The new Principal took up post in September 2013 and has introduced a wide range of changes including a new College Improvement Plan. All of the changes detailed in the plan are rooted in the need to raise students' achievement by improving the quality of teaching. Senior leadership team roles have been clarified to ensure a tight focus on improving teaching and raising achievement. The monitoring of students' progress is rigorous and there are close checks to make sure that this information is reliable and accurate. There are close checks on the progress of all groups of students, including those supported by the pupil premium. Interventions and support are targeted on ensuring students make good progress. There is much greater clarity about what good, and better, teaching looks like and when it is not good enough. The professional development of teachers is focused relentlessly on the key factors that will lead to improving weaker teaching and making more teaching consistently good or outstanding.

Procedures for the performance management of teachers are much more robustly applied and more closely aligned with students' progress. Where teaching requires significant improvement, these teachers are given clear targets and individual action plans and they are provided with the support they need.

The governing body is clearer about what needs to be done to improve the College. An Interim Executive Board (IEB) has been established. The main function of the IEB will be to provide a sound strategic base for College improvement. The IEB is expected to enable the College to have its special measures removed and to enable the development of good capacity for sustained improvement. The IEB will also be required to work to an agreed timeline for cessation of the IEB and securing the transition to a strong Governing Body.

The total number on role in July 2012 is 1,264 students, and further students are often admitted on appeal. The College continues to be over-subscribed.

Exam Performance

GCSE

In Summer 2013, 82% passed 5 or more A**s to C. This would be a statistic any comprehensive would be proud of. Our results for our 5 or more A**s to C, including English and Maths was 66%. 17% of our students achieved the English Baccalaureate which we are delighted with considering the current directive that RE, a compulsory subject in all years in a faith school, cannot count towards the Humanities option. Both of our A* to C grade outcomes are a significant improvement on last year.

A – Level

We were truly delighted with our A-level results. The overall pass rate was 97%. This is a remarkable performance and Governors congratulations go both to the students and the staff who worked together such excellence. 69% of our students achieved 3 or more A Levels, with 95% achieving 2 or more. We set targets for all our departments and very few failed achieve this level. It means that our students have the best chance possible of achieving their aim. For the second year running, we had Oxford University application success.

The Governors have tremendous gratitude for the commitment for all the staff in the school, both teaching and support. The way the staff work together with the students and the relationships which exist between staff and students are key

to producing the excellent exam results highlighted above
Governors' Report (continued)

Plans for Future Periods

There were a number of staff changes in the year, due to staff being promoted to other schools, relocations and maternity leave. This has all been well managed due to well established succession planning programme.

The College is involved at a broader level in different working parties and national groups. The College is, part of a 5 school partnership for the continuation of an offsite provision and a committed member of the Swindon Association of Secondary Head Teachers.

Going Concern

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

Key Performance Indicators

The key financial performance indicator is the net revenue for the year compared to budget. The College normally plans to run a balanced budget each financial period unless there are operational reasons for increasing the timescale. There have been significant financial changes to state education funding during the period and further changes are expected in the next few years. Accordingly the College is attending to achieve a balanced budget over the period of these changes. The surplus for the year from Revenue funds before the Actuarial gain was £133,000 (2012: £205,000).

The College recognises its responsibility to the environment. There is an active Green Club organised by students which has pursued projects to improve the school environment, and to reducing energy use. Energy saving opportunities are exercised wherever possible and are Building Management System is designed to automatically monitor heat and light efficiency. The College also operates within the Sustainable Schools Framework Gateways whenever possible and is working towards achieving all 8 gateways by 2020.

Financial Review

Most of the College's income is obtained from the Department of Education (DfE), via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the DfE during the year ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement Financial Activities.

The land and buildings which are owned by Clifton Catholic Diocese, are subject to agreement for continuing operation as a College. The Monsignor Richard Twomey Training and Conference Centre is owned by the College and was valued in the 2011/2012 financial year at £85,000. Other assets have been included in the financial statements at a best estimate, taking in to account purchase price and remaining useful lives.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Governing Body, Principal, Director of Finance and Operations, managers, budget holders and other staff as well as delegated authority for spending. Other policies are reviewed and updated regularly.

Reserves at 01.09.2013 (excluding pension deficit) = £651,000 (2012 – £462,000)

Total income for the year = £7,059,000 (1 August 2011 – 31 August 2012 = £7,683,000 (excluding amount transferred on conversion)

Total expenditure for the year = £6,900,000 (1 August 2011 – 31 August 2012 = £7,338,000)

Governors' Report (continued)

Financial and Risk Management Objectives and Policies

Whilst the College is over-subscribed, we were placed in special measures in our Ofsted inspection in July 2013. The College does not believe that there will be risks to revenue funding from a falling roll, because of this, as our DfE education adviser has said that this is unlikely. There is no suggestion that the College role will fall in the medium term. However, the reduction in post-16 funding levels, the freeze on the government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in the coming years.

The Finance Committee examines the financial health formally at every meeting, reviewing performance against budgets and overall expenditure by means of regular update reports. These are then further discussed at all Full Governing Body meetings. The Governors also regularly interrogate cash flow to ensure sufficient funds are held to cover all known and anticipated commitments.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the governors consider that the College is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

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

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

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

Fraud and mismanagement of funds – in addition to the work of the auditors the College has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Legal Fees – The College is currently in the process of investigating legal action against the contract and design team's involved in the construction of the College between 2003 and 2006. The potential cost risk of the legal fees is £100,000.

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

Reserves Policy

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

The Governors acknowledge the pension reserve deficit of £828,000 and will monitor the situation with a view to increasing contributions at a later date in order to reduce the deficit.

At the 31 August 2013, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £222,000 (2012: £183,000).

Investment Policy

The only investments held are cash balances. The policy is to hold these with Nat West Bank, in a reserve account. The timeframe for investment will always take account of balance in risk with potential higher return.

Governors' Report (continued)

Plans for Future Periods

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

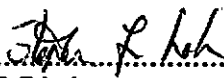
The College will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Auditor

In so far as the governors are aware:

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

Approved by order of the members of the Governing Body on 11/11/13 and signed on its behalf by:


.....
S F Lake
Chair

Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Joseph's Catholic College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

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

As previously mentioned, there are five sub committees reporting to the Full Governing Body. All new governors are assigned to the most suitable sub-committee which will utilise their skills and experience.

All governors are permitted to be absent for a maximum of two full governors meetings per year and attendance records support compliance with this. No decisions are made or votes taken unless any subcommittee or full governing body meeting is quorate, with a majority of Foundation governors in attendance.

The Principal provides update reports directly to the Full Governing Body, whilst all Assistant Principals and the Director of Finance and Operations provide update reports to the relevant sub-committee. In addition, the Principal as an ex officio governor and Director of Finance and Operations, as Company Secretary, attend all full governing Body sub-committee meetings.

The Clerk to the governors is very robust at ensuring agendas cover all essential information when reporting back to the governors.

We have just completed our second year as an Academy and the full governing Body meeting in November, along with the annual accounts meeting, will review our performance and effectiveness over the year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in St Joseph's Catholic College for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Senior staff are trained and updated in risk management regularly.

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

Governance Statement (continued)

The Risk and Control Framework

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

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

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

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

The Finance Committee and Full Governing Body appointed an internal Responsible Officer for the year but have decided, for next year, to contract out this service to Financial Services 4 Schools. The quarterly report, submitted by the Responsible Officer will be shared with the Finance Committee at the next relevant meeting, following each visit.

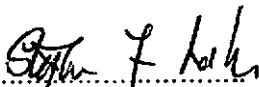
Review of Effectiveness

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

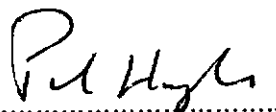
- The work of the Responsible Officer
- The work of the Director of Finance and Operations, who has responsibility for the development and maintenance of the internal control framework.
- The work of the external auditors.

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

Approved by order of the members of the governing body on 4/11/12 and signed on its behalf by:



S F Lake
Chair



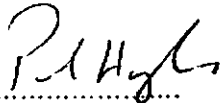
P Hughes
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of St Joseph's Catholic College I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....
P Hughes
Accounting officer

Statement of Trustees' Responsibilities

The trustees (who act as governors of St Joseph's Catholic College and are also 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 applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

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

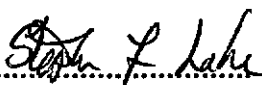
The trustees are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 11th November 2013 and signed on its behalf by:



S F Lake
Chair

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

We have audited the financial statements of St Joseph's Catholic College for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education 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.

Respective responsibilities of trustees and auditor

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

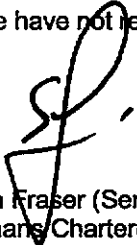
In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of St Joseph's Catholic College (continued)

Matters on which we are required to report by exception

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

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



Steven Fraser (Senior Statutory Auditor)
Monahans Chartered Accountants
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 20th November 2013

St Joseph's Catholic College

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Joseph's Catholic College during the year ended 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Joseph's Catholic College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Joseph's Catholic College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the St Joseph's Catholic College and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Joseph's Catholic College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2012; 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 2013. 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 ended 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2013 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Monahans Chartered Accountants
38-42 Newport Street
Swindon, Wiltshire, SN1 3DR
Date: 20th November 2013

Statement of Financial Activities for the Year Ended 31 August 2013
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|---|--------|-------------------------------|--|--|-----------------------|---|
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Transfer from local authority on conversion | 27 | - | - | - | - | (518) |
| Activities for generating funds | 2 | 200 | - | - | 200 | 216 |
| Investment income | 3 | - | - | - | - | - |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 4 | 155 | 6,678 | 26 | 6,859 | 7,467 |
| Total incoming resources | | 355 | 6,678 | 26 | 7,059 | 7,165 |
| Resources expended | | | | | | |
| <i>Cost of generating funds:</i> | | | | | | |
| Fundraising trading | 5 | 103 | - | - | 103 | 126 |
| <i>Charitable activities:</i> | | | | | | |
| Academy's educational operations | 6 | 205 | 6,494 | 39 | 6,738 | 7,149 |
| Governance costs | 7 | 8 | 51 | - | 59 | 63 |
| Total resources expended | 5 | 316 | 6,545 | 39 | 6,900 | 7,338 |
| Net incoming/(outgoing) resources before transfers | | 39 | 133 | (13) | 159 | (173) |
| Gross transfers between funds | 15 | - | - | - | - | - |
| Net income/(expenditure) for the period | | 39 | 133 | (13) | 159 | (173) |
| Other recognised gains and losses | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 15, 25 | - | 61 | - | 61 | (224) |
| Net movement in funds | | 39 | 194 | (13) | 220 | (397) |
| Reconciliation of funds | | | | | | |
| Funds brought forward to 1 September 2012 | | 183 | (618) | 38 | (397) | - |
| Funds carried forward at 31 August 2013 | | 222 | (424) | 25 | (177) | (397) |

All of the Academy's activities relate to continuing operations.

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

St Joseph's Catholic College

Balance sheet as at 31 August 2013

| | Notes | 2013 £000 | 2013 £000 | 2012 £000 | 2012 £000 |
|---|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 199 | | 187 |
| Current assets | | | | | |
| Stock | 12 | 12 | | 10 | |
| Debtors | 13 | 556 | | 148 | |
| Cash at bank and in hand | | 257 | | 601 | |
| | | <u>825</u> | | <u>759</u> | |
| Creditors: Amounts falling due within one year | 14 | (373) | | (484) | |
| Net current assets | | | <u>452</u> | | <u>275</u> |
| Total assets less current liabilities | | | 651 | | 462 |
| Pension scheme liability | 25 | | (828) | | (859) |
| Net assets including pension liability | | | <u>(177)</u> | | <u>(397)</u> |
| Funds of the academy: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund(s) | 15 | | 25 | | 38 |
| General fund(s) | 15 | | 404 | | 241 |
| Pension reserve | 15 | | (828) | | (859) |
| Total restricted funds | | | <u>(399)</u> | | <u>(580)</u> |
| Unrestricted funds | 15 | | 222 | | 183 |
| Total funds | | | <u>(177)</u> | | <u>(397)</u> |

The financial statements on pages 18 to 40 were approved by the governors, and authorised for issue on 11th November 2013 and are signed on their behalf by:


S F Lake
 Chair

Company Limited by Guarantee
 Registration Number 07696999

Cash Flow Statement for the Year Ended 31 August 2013

| | Notes | 2013 £000 | Period 1 August 2011 - 31 August 2012 £000 |
|---|-------|--------------|--|
| Net cash inflow from operating activities | 19 | (302) | 602 |
| Returns on investments and servicing of finance | 20 | - | - |
| Capital expenditure and financial investment | 21 | (42) | (111) |
| Cash transferred on conversion to an academy trust | 27 | - | 110 |
| (Decrease)/Increase in cash in the period | 22 | <u>(344)</u> | <u>601</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net fund at 1 September 2012 | | 601 | - |
| Net funds at 31 August 2013 | | <u>257</u> | <u>601</u> |

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

- **Donated Services and Gifts in Kind**

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

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

1 Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Conversion to an Academy

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

The assets and liabilities transferred on conversion from St Joseph's Catholic College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Joseph's Catholic College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

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

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

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

| | |
|----------------------------------|-----------|
| Freehold buildings | 50 years |
| Land | Nil |
| Fixtures, fittings and equipment | 5 years |
| ICT equipment | 3-5 years |

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

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

Assets on transfer to the academy trust were fully depreciated in the first year as an academy other than land and buildings, being the Monsignor Richard Twomey Training & Conference centre, which were valued, at market value, by Hinton Newport, Chartered Surveyors, at £85,000.

The Clifton Catholic Diocese own the freehold of the school building. There is no lease agreement or licence for use between the academy and the Diocese. Therefore the building has not been shown as an asset of the academy. The building has been valued by the government on depreciated replacement cost basis at £21,767,126.

Leased Assets

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

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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.

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

1 Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 governors.

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

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

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

2 Activities for Generating Funds

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|--------------------------|-------------------------------|-----------------------------|-----------------------|---|
| Hire of facilities | 90 | - | 90 | 121 |
| Training and consultancy | 11 | - | 11 | 9 |
| Catering – non pupils | 56 | - | 56 | 54 |
| Other income | 43 | - | 43 | 32 |
| | <u>200</u> | <u>-</u> | <u>200</u> | <u>216</u> |

3 Investment Income

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|---------------|-------------------------------|-----------------------------|-----------------------|---|
| Bank interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

4 Funding for Academy's Educational Operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|---------------------------------|-------------------------------|-----------------------------|-----------------------|---|
| DfE/EFA grants | | | | |
| General Annual Grant (GAG) | - | 6,338 | 6,338 | 7,000 |
| Other DfE/EFA grants | - | 177 | 177 | 81 |
| DfE/EFA capital grants | - | 26 | 26 | 26 |
| | - | 6,541 | 6,541 | 7,107 |
| Other revenue grants | | | | |
| Local authority grants | - | 12 | 12 | 9 |
| Special educational projects | - | 42 | 42 | 28 |
| Other grants | - | - | - | 17 |
| | - | 54 | 54 | 54 |
| Other incoming resources | | | | |
| School trips | - | 90 | 90 | 122 |
| Catering – pupils | 147 | - | 147 | 140 |
| Curriculum income | 8 | - | 8 | 11 |
| Other income | - | 19 | 19 | 33 |
| | 155 | 109 | 264 | 306 |
| | 155 | 6,704 | 6,859 | 7,467 |

5 Resources Expended

| | Non Pay Expenditure | | | | Total Period 1 August 2011 - 31 August 2012 £000 |
|--|------------------------|------------------|------------------------|-----------------------|---|
| | Staff Costs £000 | Premises £000 | Other Costs £000 | Total 2013 £000 | |
| Costs of activities for generating funds | 34 | 23 | 46 | 103 | 126 |
| Academy's educational operations | | | | | |
| Direct costs | 3,662 | - | 734 | 4,396 | 4,919 |
| Allocated support costs | 1,476 | 470 | 396 | 2,342 | 2,230 |
| | 5,138 | 470 | 1,130 | 6,738 | 7,149 |
| Governance costs | | | | | |
| | - | - | 59 | 59 | 63 |
| | 5,172 | 493 | 1,235 | 6,900 | 7,338 |

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

5 Resources Expended (continued)

| | 2013 £000 | Period 1 August 2011 - 31 August 2012 £000 |
|--|--------------|--|
| Incoming/outgoing resources for the period include: | | |
| Operating leases | 121 | 121 |
| Fees payable to auditor | | |
| Audit | 6 | 6 |
| Other services | 1 | 3 |
| Depreciation – owned assets | 83 | 61 |

6 Charitable Activities - Academy's Educational Operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|--|-------------------------------|-----------------------------|-----------------------|---|
| Direct costs | | | | |
| Teaching and educational support staff costs | - | 3,662 | 3,662 | 3,979 |
| Educational supplies | 18 | 253 | 271 | 301 |
| Educational trips | - | 90 | 90 | 125 |
| Educational technology | - | 199 | 199 | 229 |
| Examination fees | - | 92 | 92 | 148 |
| Staff development and training | - | 21 | 21 | 29 |
| Other staff costs | - | 59 | 59 | 77 |
| Other direct costs | - | 2 | 2 | 31 |
| | <u>18</u> | <u>4,378</u> | <u>4,396</u> | <u>4,919</u> |
| Allocation supported costs | | | | |
| Support staff costs | 60 | 1,416 | 1,476 | 1,419 |
| Depreciation | 19 | 14 | 33 | 39 |
| Technology costs | - | 78 | 78 | 20 |
| Recruitment and support | - | 42 | 42 | 28 |
| Maintenance of premises and equipment | - | 163 | 163 | 180 |
| Cleaning | - | 18 | 18 | 21 |
| Rates | - | 61 | 61 | 68 |
| Energy costs | - | 144 | 144 | 111 |
| Insurance | - | 65 | 65 | 66 |
| Security and transport | - | 14 | 14 | 18 |
| Catering | 100 | 46 | 146 | 87 |
| Bank charges | 1 | 6 | 7 | 7 |
| Other support costs | 7 | 88 | 95 | 105 |
| | <u>187</u> | <u>2,155</u> | <u>2,342</u> | <u>2,230</u> |
| | <u>205</u> | <u>6,533</u> | <u>6,738</u> | <u>7,149</u> |

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

7 Governance Costs

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total Period 1 August 2011 - 31 August 2012 £000 |
|---------------------------------|-------------------------------|-----------------------------|-----------------------|---|
| Legal and professional fees | 8 | 44 | 52 | 54 |
| Auditor's remuneration | | | | |
| • Audit of financial statements | - | 6 | 6 | 6 |
| • Other services | - | 1 | 1 | 3 |
| | <u>8</u> | <u>51</u> | <u>59</u> | <u>63</u> |

8 Staff Costs

| | 2013 £000 | Period 1 August 2011 - 31 August 2012 £000 |
|-------------------------------------|--------------|---|
| Staff costs during the period were: | | |
| Wages and salaries | 4,132 | 4,503 |
| Social security costs | 298 | 312 |
| Pension costs | 642 | 660 |
| | <u>5,072</u> | <u>5,475</u> |
| Supply teacher agency costs | 33 | - |
| Compensation payments | 67 | 3 |
| | <u>5,172</u> | <u>5,478</u> |

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

| | 2013 Number | 2013 Full-time equivalent | 2012 Number | 2012 Full-time equivalent |
|------------------------------|----------------|---------------------------------|----------------|---------------------------------|
| Charitable Activities | | | | |
| Teachers | 59 | 53 | 68 | 54 |
| Administration and support | 100 | 63 | 119 | 87 |
| Management | 20 | 20 | 7 | 7 |
| | <u>179</u> | <u>136</u> | <u>194</u> | <u>148</u> |

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

8 Staff Costs (continued)

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

| | 2013 | 2012 |
|--------------------|------|------|
| £60,001 - £70,000 | 3 | - |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | 1 |
| | 4 | 1 |

3 (2012 - 1) of the above employees participated in the Teacher Pension Scheme. During the year, pension contributions for these staff totalled £25,000 (period ended 31 August 2012 - £14,000).

1 (2012 - 0) of the above employees participated in the Local Government Pension Scheme. During the year, pension contributions for these staff totalled £13,000 (period ended 31 August 2012 - £nil).

9 Related Party Transactions - Governors' Remuneration and Expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments or expenses from the Academy in respect of their role as governors. The value of governors' remuneration (being salary plus employers pension contributions), was as follows:

| | Gross salary | Employers pension contributions | Total | 13 month period 1 August 2011 to 31 August 2012 Total |
|--|--------------|---------------------------------------|-------------|--|
| B Slater, Acting Joint Principal and trustee (from 1 April 2013) | £35k - £40k | £0k - £5k | £40k - £45k | - |
| N Hathaway, Acting Joint Principal and trustee (from 1 April 2013) | £35k - £40k | £0k - £5k | £40k - £45k | - |
| A Nunes, staff governor and trustee | £20k - £25k | £0k - £5k | £25k - £30k | - |
| S Harlow, staff governor and trustee | £45k - £50k | £10k - £15k | £60k - £65k | - |
| M Harries, Principal and trustee (to 31 March 2013) | £70k - £75k | £5k - £10k | £80k - £85k | £110k - £115k |
| P Mazzotta, staff governor and trustee | - | - | - | £45k - £50k |
| K Gleed, staff governor and trustee | - | - | - | £20k - £25k |

During the year ended 31 August 2013, travel and subsistence expenses totalling £nil (2012 - £nil) were reimbursed to trustees.

Other related party transactions involving the governors are set out in note 26.

10 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 (2012 - £2,000,000) on any one claim and the cost for the year was £676 (period ended 31 August 2012 - £1,625).

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

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

11 Tangible Fixed Assets

| | Freehold Land and Buildings £000 | Property improvements £000 | Furniture and Equipment £000 | Computer Equipment £000 | Total £000 |
|------------------------|---|----------------------------------|------------------------------------|-------------------------------|---------------|
| Cost | | | | | |
| At 1 September 2012 | 85 | - | 88 | 75 | 248 |
| Additions | - | 57 | 11 | - | 68 |
| At 31 August 2013 | 85 | 57 | 99 | 75 | 316 |
| Depreciation | | | | | |
| At 1 September 2012 | 1 | - | 22 | 38 | 61 |
| Charged in period | 1 | 19 | 19 | 17 | 56 |
| At 31 August 2013 | 2 | 19 | 41 | 55 | 117 |
| Net book values | | | | | |
| At 31 August 2013 | 83 | 38 | 58 | 20 | 199 |
| At 31 August 2012 | 84 | - | 66 | 37 | 187 |

Included in the cost of freehold land and buildings is land of £28,000 (2012 - £28,000) which is not depreciated.

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

12 Stock

| | 2013 £000 | 2012 £000 |
|------------|--------------|--------------|
| Stationery | 10 | 8 |
| Catering | 2 | 2 |
| | <u>12</u> | <u>10</u> |

13 Debtors

| | 2013 £000 | 2012 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | 339 | 51 |
| Prepayments and accrued income | 137 | 48 |
| VAT | 80 | 49 |
| | <u>556</u> | <u>148</u> |

14 Creditors: amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 47 | 151 |
| Other taxation and social security | 92 | 97 |
| Other creditors | 130 | 155 |
| Accruals and deferred income | 104 | 81 |
| | <u>373</u> | <u>484</u> |

Deferred income

| | 2013 £000 |
|-------------------------------------|--------------|
| Deferred Income at 1 September 2012 | 18 |
| Resources deferred in the period | 23 |
| Amounts released from previous year | (18) |
| Deferred Income at 31 August 2013 | <u>23</u> |

At the balance sheet date the academy trust was holding funds received in advance for school trips taking place post year end.

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

15 Funds

| | Balance at 1 September 2012 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses and Transfers £000 | Balance at 31 August 2013 £000 |
|-------------------------------------|---|-------------------------------|-------------------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 210 | 6,338 | (6,215) | - | 333 |
| Other DfE/EFA grants | 18 | 177 | (132) | - | 63 |
| Other restricted grants/income | 13 | 163 | (168) | - | 8 |
| | 241 | 6,678 | (6,515) | - | 404 |
| Pension reserve | (859) | - | (30) | 61 | (828) |
| | (618) | 6,678 | (6,545) | 61 | (424) |
| Restricted fixed asset funds | | | | | |
| DfE/EFA capital grants | 18 | 26 | (33) | - | 11 |
| Capital expenditure from GAG | 20 | - | (6) | - | 14 |
| Fixed assets on conversion | - | - | - | - | - |
| | 38 | 26 | (39) | - | 25 |
| Total restricted funds | (580) | 6,704 | (6,584) | 61 | (399) |
| Unrestricted funds | 183 | 355 | (316) | - | 222 |
| Total funds | (397) | 7,059 | (6,900) | 61 | (177) |

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

General Annual Grant – the GAG is applied in strict accordance with the terms of the Model Funding Agreement. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Other DfE/EFA grants – these include the pupil premium which is used to assist pupils from low income families, and the grant to cover the cost of preparing Whole of Government Accounts.

Other restricted grants/income – these include the special educational needs funding from Swindon Borough Council, and other smaller restricted income streams.

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

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

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

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

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|---|------------------------|
| Tangible fixed assets | 174 | - | 25 | 199 |
| Current assets | 71 | 754 | - | 825 |
| Current liabilities | (23) | (350) | - | (373) |
| Pension scheme liability | - | (828) | - | (828) |
| Total net assets | 222 | (424) | 25 | (177) |

17 Capital commitments

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | - |

18 Financial commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Land and buildings | | |
| Expiring within one year | - | - |
| Expiring within two and five years inclusive | - | - |
| Expiring in over five years | - | - |
| Other | | |
| Expiring within one year | 55 | - |
| Expiring within two and five years inclusive | 79 | 121 |
| Expiring in over five years | - | - |
| | 134 | 121 |

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

19 Reconciliation of net income to net cash inflow from operating activities

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Net income | 159 | (173) |
| Non cash assets on conversion | - | 529 |
| Cash on conversion (note 27) | - | (110) |
| Depreciation (note 11) | 56 | 61 |
| Capital grants from DfE/EFA and other capital income | (26) | (26) |
| Interest receivable (note 3) | - | - |
| FRS 17 pension cost less contributions payable (note 25) | 6 | (27) |
| FRS 17 pension finance income (note 25) | 24 | 22 |
| (Increase)/decrease in stocks | (2) | (10) |
| (Increase)/decrease in debtors | (408) | (148) |
| Increase/(decrease) in creditors | (111) | 484 |
| Net cash inflow from operating activities | <u>(302)</u> | <u>602</u> |

20 Returns on investments and servicing of finance

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Interest received | - | - |
| Net cash inflow from returns on investment and servicing of finance | <u>-</u> | <u>-</u> |

21 Capital expenditure and financial investment

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Purchase of tangible fixed assets | (68) | (137) |
| Capital grants from DfE/EFA | 26 | 26 |
| Net cash outflow from capital expenditure and financial investment | <u>(42)</u> | <u>(111)</u> |

22 Analysis of changes in net funds

| | At 1 September 2012 £000 | Cash flows £000 | At 31 August 2013 £000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash in hand and at bank | 601 | (344) | 257 |
| | <u>601</u> | <u>(344)</u> | <u>257</u> |

