

Company Registration No. 9301212 (England and Wales)

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

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ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|------------------------------------|--|
| Governors | N Aubin-Laing K Brophy A Camicia C Duke (Appointed 30 June 2016) I Du Preez (Appointed 8 September 2016) S Grange (Accounting officer) A Mazuri S McCarthy (Resigned 29 January 2016) J McConnell Canon T McHugh J Nelms (Chair) S Nolan M Richardson (Appointed 30 June 2016) E Sayhoun (Appointed 8 September 2016) V Simpson A Wilson (Resigned 22 September 2015) C Zammit |
| Members | J Nelms The Southwark Roman Catholic Diocese Trustee Archbishop P Smith |
| Senior leadership team | S Grange - Headteacher B Burns - Deputy Headteacher D Holmes - EYFS and KS1 Senior Leader D Read - KS2 Senior Leader |
| Company secretary | S Nolan |
| Company registration number | 9301212 (England and Wales) |
| Registered office | St Joseph's Catholic Primary School Plaistow Lane Bromley Kent BR1 3JQ |
| Independent auditor | Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
6-8 Market Square
Bromley
Kent
BR1 1NA

Solicitors

Winkworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bromley. It has a pupil capacity of 218 and had a roll of 208 in the school census on 16/01/2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of St Joseph's Catholic Primary School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

St Joseph's Catholic Primary School obtained Academy status from 1 December 2014.

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, for the debts and liabilities contracted before they ceased to be a member.

Principal activities

The principal activity of the Academy is 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 a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of governors

The members of the Academy Trust shall comprise the signatories to the Memorandum; three ex officio members being the Vicar General, Diocesan Financial Secretary and Chair of Governors; any further person appointed by the Archbishop, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have the following Governors; 8 Foundation Governor appointed under Article 50A; 2 Staff Governors appointed under Article 50A; 1 Local Governor appointed under Article 51; 2 Parent Governors elected or appointed under Articles 53-58 and the Principal. The Academy may also have up to 2 Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Principal).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 periods, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, and Governor may be re-appointed or re-elected for up to three terms in total.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of governors

During the period under review the Governors held 4 meetings. In addition, the Achievement and Standards and the Home, School Parish committees met three times during the year. The Resources committee met 6 times during the year. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure consists of three levels: the Governors, Senior Leadership Team and Middle Leaders, (including Assessment and Curriculum Leaders). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Headteacher, Deputy Headteacher, two senior. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Headteacher and Deputy Headteacher are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will contain a Governor(s). Some spending control is devolved to Curriculum Leaders, with limits above which a Senior Leader must countersign.

Arrangements for setting pay and remuneration of key management personnel

Remuneration for key management personnel is based on the school's staff pay policy, which for members of the teaching staff, Deputy Head and the Head Teacher is set currently in accordance with the School Teachers' Pay and Conditions and for members of the support team in accordance with the National Joint Council.

All managers and key personnel are performance reviewed by the Head Teacher by the 31st October and the Head Teacher is performance Managed by 3 governors from the Resources Committee and an external consultant by 31st December. Consequently, each manager's salary is paid in accordance with proven skills and performance. Any changes to current salaries are put forward to the Pay Committee which is part of the Resources Committee for approval.

Related parties and other connected charities and organisations

St Joseph's Academy Trust is a member of the Bromley Catholic Schools Umbrella Trust. The Umbrella Trust is formed of the eight catholic primary schools in Bromley. The academy is part of the St Joseph's Catholic Parish Community and takes part in a number of parish events.

Objectives and activities

Objects and aims

St Joseph's Catholic Primary School is a mixed 4-11 primary school. The pupils at the school are encouraged to be ambitious and achieve to their highest ability, whilst retaining a sense of who they are and what values are important in our society. Our mission statement emphasises this 'Here at St Joseph's Primary School, we learn and grow through the love of Jesus. Our community is a safe, caring and happy place where everyone is supported and valued. We encourage and challenge everyone to achieve their full potential, spiritually, academically, morally and socially. We inspire others with a love of learning and aim for excellence in everything we do. Through our own faith, we treat one another the way we would like to be treated. We help every child to be gentle and fair: to always do their best.'

We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The principal object of the Academy is specifically restricted to the following, to advance 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 a school offering a broad and balanced curriculum being St Joseph's Catholic Primary School.

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils, ensuring every pupil reaches their full potential and makes the best progress that they can;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
to comply with all appropriate statutory and curriculum requirements;
- to ensure teaching and learning is of the highest standard; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

St Joseph's Catholic Primary School values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, spiritually, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit St Joseph's Catholic Primary School.

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas. The Home School Parish committee reviews and enhances partnership with the pupils, school and the parish community.

Parents will fulfil their roles as true partners, recognizing their role in the student- school - parent partnership to ensure that their child realises his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a nationally recognised centre of excellence.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The criteria used to admit pupils to St Joseph's Catholic Primary School are:-

- Looked after children
- Catholicity
- Siblings
- Proximity to the School

In September 2015 the furthest offer made was 1.39 miles from the School. The School follows the London Borough of Bromley Admission Procedures.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

The Academy continues to achieve the forecast numbers of students. Total students in the period ended 31st August 2016 numbered 211 and there are 5 vacancies in year 4, 1 in year 5, 1 in year 3 and 1 in year 2. The school admitted an extra child in year 1 due to the fairer access procedure.

At the end of the academic year 2015/16 year 6 pupils achieved 88% in reading, 94% in writing, 75% in maths and 72% in EGPS. At the end of KS1 year 2 pupils achieved 93% in reading, 90% in writing and 90% in maths. At the end of EYFS 80% of pupils achieved a good level of development (GLD).

Pupils enter the school at an average level this is based on teacher assessment. They then leave at an average or above average level, therefore progress is at least good.

Year 6 2015 data shows disadvantaged pupils to have performed at a much lower level than other pupils in the school and nationally. However school tracking data shows an improved picture for 2016. SEND 2016 school tracking data shows 57% in reading 65% in writing and 52% in maths

Overall St Joseph's Catholic Primary School is an inclusive school and has made progress in identifying and closing the gaps for vulnerable pupils and groups of pupils.

Key performance indicators

The main KPI is the Ofsted Framework for Inspection

- Inspectors must judge the quality of education provided in the school. This is the overarching judgement.
- In order to make a judgement about the quality of education provided in the school, inspectors must first make four key judgements. These are:

The achievement of pupils

This is good in reading, writing, maths and EGPS, targets continue to be in place to sustain improvement in writing. Achievement in reading, maths and writing was 86% this was above the national floor targets of 53%.

The quality of teaching

The school is good with elements of outstanding.

The behaviour and safety of pupils

St Joseph's pupils behave in an excellent way and show care and respect to others.

The quality of leadership and management

This is good and all leaders have shared aspirations of providing an outstanding learning opportunity for all pupils.

- In addition, inspectors must also consider:
 - Pupils are reflective about spiritual and moral matters. They show care and respect to all.
 - St Joseph's is an inclusive school where all pupils, whatever their needs are supported to achieve their full potential, academically, spiritually, physically, morally and socially.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total expenditure of £1,040 (2015: £723k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £64k (2015: £59k).

At 31 August 2016 the net book value of fixed assets was £2,853 (2015: £2,853k). Movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Bromley Pension Fund, in which the Academy participates, showed a deficit of £123k (2015: £62k) at 31 August 2016. Of this sum, £61k, was inherited by the academy trust from the London Borough of Bromley Pension on 1 December 2014, the date the local authority's staff transferred to employment with the Academy.

Reserves policy

The Governors review the reserve levels of the Academy 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 have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' expenditure, approximately £75k (2015: £75k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of unrestricted reserves of £143k (2015: £105k). The Governors expect to utilise the additional reserves in the coming periods.

The governors consider that future income levels are subject to a degree of uncertainty given national discussions about the future funding for schools, and as a result consider it prudent to retain a temporarily higher level of reserves.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances.

The Governors have implemented a Risk Register to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

The Governors are introducing systems including operational procedures internal financial controls in order to minimise risk. Where significant risk still remains they have ensured they have adequate insurance cover.

The principle risks and uncertainties that St Joseph's Catholic Primary School faces are mitigated by the risk management process that the Academy Trust has in place. Some examples from the Risk Register are:

- Number 27 Operational risk - failure to assess and review the Umbrella Trust and the participant organisations risking the school's reputation and integrity. To address the risk the school will attend regular UT meetings monitor the effectiveness of the meetings, share information independent of scrutiny and comply with Ofsted. Additional controls will be to use an external consultant for monitoring and raising standards.
- Number 66 Legal risk - Failure to ensure that the school is compliant in relation to safeguarding and welfare issues. To address the risk the school will regularly update the safeguarding and child protection policy monitoring processes and procedures. Process DBS and list 99 checks and report to the safeguarding governor.
- Number 74 Political Risk – Change in government where policy towards the academy status changes. To address the risk the school will have a strategic oversight on political parties educational policies, and understand and identify alternatives.

The principal risks and uncertainties that St Joseph's Catholic Primary School faces are mitigated by the risk management process that the Academy Trust has in place.

Financial and risk management objectives and policies

The main financial risks which St Joseph's Catholic Primary School is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £123k (2015: £62k).

Plans for future periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students achieve their full potential.

The school has a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The school also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Improvement Plan has all the correct areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the assessment leader, supported by the senior leadership team. The SIP is regularly monitored and amended annually by the SLT and governors. It is underpinned by appropriate budget links

School Improvement strategies are beginning to have impact as the emphasis is sharply focused on Teaching and Learning and on pupil progress. These are being addressed through rigorous monitoring, high quality CPD and through analysis of test and Teacher Assessment data on a half termly basis. The school makes good provision for personalised learning and intervention programmes and has developed a rich, creative curriculum which includes and stretches pupils across the ability range.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 15 December 2016 and signed on its behalf by:

J Nelms

Chair

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that St Joseph's Catholic Primary School 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 board of governors has delegated the day-to-day responsibility to the Headteacher, 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 Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

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

| Governors | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| N Aubin-Laing | 4 | 4 |
| K Brophy | 3 | 4 |
| A Camicia | 4 | 4 |
| C Duke (Appointed 30 June 2016) | 1 | 1 |
| I Du Preez (Appointed 8 September 2016) | 0 | 0 |
| S Grange (Accounting officer) | 3 | 4 |
| A Mazuri | 4 | 4 |
| S McCarthy (Resigned 29 January 2016) | 2 | 2 |
| J McConnell | 2 | 4 |
| Canon T McHugh | 4 | 4 |
| J Nelms (Chair) | 4 | 4 |
| S Nolan | 3 | 4 |
| M Richardson (Appointed 30 June 2016) | 1 | 1 |
| E Sayhoun (Appointed 8 September 2016) | 0 | 0 |
| V Simpson | 3 | 4 |
| A Wilson (Resigned 22 September 2015) | 0 | 0 |
| C Zammit | 4 | 4 |

Two governors resigned and four new governors were appointed. L Du Preez and E Sahyoun both attended the full governing body meeting in June as observers.

Each sub committee of the Governing Body is responsible for an aspect of the School Improvement Plan and reviews the progress. The strategic group which consists of all the chairs of the sub-committees also reviews the progress and prioritises the findings. The governor's action plan is monitored and evaluated regularly.

A skills audit was undertaken in October 2015 and the next one will take place in the Autumn term 2016. The governing body has strengths in all areas. The skills audit in 2015 indicated a need for a governor with greater knowledge of the local community. A new governor to fulfil that brief was appointed in June 2016. The self review that is undertaken informs the governing body of the training that should be undertaken.

An external review of leadership and management by the School Improvement Partner for the Umbrella Trust rated governance as outstanding.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Resources Committee is a sub-committee of the main governing body. Its purpose is to monitor and agree budget and personnel issues. To put forward proposals to the full Governing Body based on information from the Finance Officer and Headteacher. The Committee also review the reports produced by the internal auditor and ensure all issue raised are addressed.

Attendance at meetings in the year was as follows:

| Governors | Meetings attended | Out of possible |
|---------------------------------------|--------------------------|------------------------|
| K Brophy | 5 | 6 |
| S Grange (Accounting officer) | 5 | 6 |
| S McCarthy (Resigned 29 January 2016) | 2 | 2 |
| J McConnell | 5 | 6 |
| Canon T McHugh | 3 | 6 |
| J Nelms (Chair) | 4 | 6 |
| S Nolan | 6 | 6 |
| M Richardson (Appointed 30 June 2016) | 1 | 1 |
| C Zammit | 6 | 6 |

Review of value for money

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

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

- Challenge – Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently?
- Compare – How does the school's pupil performance and financial performance compare with other schools? How does it compare with academies of similar size and characteristics of St Joseph's Catholic Primary School.
- Consult – We will seek the views of stakeholders about services the school provides.
- Compete – We will ensure that it secures efficient and effective services and that there are economic and of appropriate quality.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Joseph's Catholic Primary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors 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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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 board of governors;
- regular reviews by the resources 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 Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP'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 include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

On a annual basis, Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP had delivered their schedule of work as planned and no issues of significance were identified.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 15 December 2016 and signed on its behalf by:

S Grange
Accounting officer

J Nelms
Chair

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of St Joseph's Catholic Primary School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of governors 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 2015.

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 governors and EFA.

S Grange
Accounting Officer

15 December 2016

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from EFA/DfE have been applied for the purposes intended.

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 15 December 2016 and signed on its behalf by:

J Nelms
Chair

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

We have audited the accounts of St Joseph's Catholic Primary School for the year ended 31 August 2016 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the governors, who are also the directors of St Joseph's Catholic Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST JOSEPH'S CATHOLIC PRIMARY SCHOOL (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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 19 December 2016

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST JOSEPH'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Joseph's Catholic Primary School during the period 1 September 2015 to 31 August 2016 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 Primary School 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 Primary School 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 Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Joseph's Catholic Primary School's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST JOSEPH'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 19 December 2016

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

| | | Unrestricted Funds | Restricted funds: | | Total 2016 | Total 2015 9 Months |
|---|-------|-----------------------|-------------------|-------------|---------------|---------------------------|
| | Notes | £'000 | General | Fixed asset | £'000 | £'000 |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 37 | - | - | 37 | 28 |
| Donations - transfer from local authority on conversion | | - | - | - | - | 2,878 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 3 | - | 999 | - | 999 | 703 |
| Other trading activities | 4 | 36 | - | - | 36 | 22 |
| Total income and endowments | | 73 | 999 | - | 1,072 | 3,631 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 6 | 21 | 987 | 32 | 1,040 | 729 |
| Total expenditure | 5 | 21 | 987 | 32 | 1,040 | 729 |
| Net income/(expenditure) | | 52 | 12 | (32) | 32 | 2,902 |
| Transfers between funds | 14 | (14) | (18) | 32 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 16 | - | (60) | - | (60) | - |
| Net movement in funds | | 38 | (66) | - | (28) | 2,902 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 105 | (56) | 2,853 | 2,902 | - |
| Total funds carried forward | | 143 | (122) | 2,853 | 2,874 | 2,902 |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

| Comparative information ended 31 August 2015 | Notes | Unrestricted | Restricted funds: | | Total |
|---|-------|--------------|-------------------|-------------|-------|
| | | Funds | General | Fixed asset | 2015 |
| | | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | 2 | 28 | - | - | 28 |
| Donations - transfer from local authority on conversion | | 74 | (61) | 2,865 | 2,878 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 3 | - | 703 | - | 703 |
| Other trading activities | 4 | 22 | - | - | 22 |
| Total income and endowments | | 124 | 642 | 2,865 | 3,631 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 6 | 14 | 693 | 22 | 729 |
| Total expenditure | 5 | 14 | 693 | 22 | 729 |
| Net income/(expenditure) | | 110 | (51) | 2,843 | 2,902 |
| Transfers between funds | | (5) | (5) | 10 | - |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | - | - | - | - |
| Total funds carried forward | | 105 | (56) | 2,853 | 2,902 |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

| | Notes | 2016 £'000 | £'000 | 2015 £'000 | £'000 |
|--|-------|---------------|--------------|---------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 2,853 | | 2,853 |
| Current assets | | | | | |
| Debtors | 11 | 17 | | 20 | |
| Cash at bank and in hand | | 169 | | 124 | |
| | | <u>186</u> | | <u>144</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | (42) | | (33) | |
| Net current assets | | | 144 | | 111 |
| Net assets excluding pension liability | | | 2,997 | | 2,964 |
| Defined benefit pension liability | 16 | | (123) | | (62) |
| Net assets | | | <u>2,874</u> | | <u>2,902</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 14 | | | | |
| - Fixed asset funds | | | 2,853 | | 2,853 |
| - Restricted income funds | | | 1 | | 6 |
| - Pension reserve | | | (123) | | (62) |
| Total restricted funds | | | <u>2,731</u> | | <u>2,797</u> |
| Unrestricted income funds | 14 | | 143 | | 105 |
| Total funds | | | <u>2,874</u> | | <u>2,902</u> |

The accounts set out on pages 20 to 40 were approved by the board of governors and authorised for issue on 15 December 2016 and are signed on its behalf by:

J Nelms
Chair

Company Number 9301212

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

| | | 2016 | | 2015 | |
|--|-------|-------|-------------------|-------|-------------------|
| | Notes | £'000 | £'000 | £'000 | 9 Months £'000 |
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 17 | | 77 | | 60 |
| Cash funds transferred on conversion | | | - | | 74 |
| | | | <u>77</u> | | <u>134</u> |
| Cash flows from investing activities | | | | | |
| Payments to acquire tangible fixed assets | | (32) | | (10) | |
| | | | <u>(32)</u> | | <u>(10)</u> |
| Change in cash and cash equivalents in the reporting period | | | | | |
| | | | 45 | | 124 |
| Cash and cash equivalents at 1 September 2015 | | | <u>124</u> | | <u>-</u> |
| Cash and cash equivalents at 31 August 2016 | | | <u><u>169</u></u> | | <u><u>124</u></u> |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

St Joseph's Catholic Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

The accounts 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006 (other than in respect of the disclosure of remunerations received by staff governors under employment contracts - see note 8 for details).

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

These accounts for the year ended 31 August 2016 are the first accounts of St Joseph's Catholic Primary School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 16 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 academy trust has provided the goods or services.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 the academy trust's policies.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 or group of the same assets amounting to £3,000 are written off in the year of acquisition. All other assets are capitalised.

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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

In accordance with the accounting treatment set out by the Academies accounts direction the land and buildings have been included as an asset in the financial statements.

The land and buildings have been included at the valuation provided by the EFA when completing their desktop valuation.

The academy has a legal arrangement for the use of the land and buildings under a church supplemental agreement. This is a rolling agreement with a minimum two years written notice period for termination, no such notice has been given at the date of signing the accounts.

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

| | |
|--------------------|---------------------------------------|
| Land and buildings | Buildings 2%; Land is not depreciated |
| Computer equipment | 33.3% |

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.

1.6 Liabilities

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

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.8 Taxation

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, 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 are 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 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.

1.10 Fund accounting

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

1.11 Critical accounting estimates and areas of judgement

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

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2016 £'000 | Total 2015 £'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Other donations | 37 | - | 37 | 28 |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2016 £'000 | Total 2015 £'000 |
|--------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE / EFA grants | | | | |
| General annual grant (GAG) | - | 908 | 908 | 616 |
| Start up grants | - | - | - | 25 |
| Other DfE / EFA grants | - | 72 | 72 | 42 |
| | - | 980 | 980 | 683 |
| Other government grants | | | | |
| Local authority grants | - | 19 | 19 | 20 |
| Total funding | - | 999 | 999 | 703 |

4 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2016 £'000 | Total 2015 £'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Catering income | 21 | - | 21 | 14 |
| Other income | 15 | - | 15 | 8 |
| | 36 | - | 36 | 22 |

5 Expenditure

| | Staff costs £'000 | Premises & equipment £'000 | Other costs £'000 | Total 2016 £'000 | Total 2015 £'000 |
|---|-------------------------|----------------------------------|-------------------------|------------------------|------------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 656 | 26 | 55 | 737 | 510 |
| - Allocated support costs | 98 | 40 | 165 | 303 | 219 |
| | 754 | 66 | 220 | 1,040 | 729 |
| Total expenditure | 754 | 66 | 220 | 1,040 | 729 |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Expenditure (Continued)

| Net income/(expenditure) for the year includes: | 2016 £'000 | 2015 £'000 |
|---|-------------------|-------------------|
| Fees payable to auditor for: | | |
| - Audit | 6 | 6 |
| - Other services | 5 | 5 |
| Operating lease rentals | 5 | 5 |
| Depreciation of tangible fixed assets | 32 | 22 |
| | <u> </u> | <u> </u> |

6 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2016 £'000 | Total 2015 £'000 |
|--|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs - educational operations | - | 737 | 737 | 510 |
| Support costs - educational operations | 21 | 282 | 303 | 219 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 21 | 1,019 | 1,040 | 729 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Analysis of support costs

| | 2016 £'000 | 2015 £'000 |
|-------------------------------|-------------------|-------------------|
| Support staff costs | 98 | 75 |
| Depreciation and amortisation | 6 | 3 |
| Technology costs | 3 | 6 |
| Premises costs | 62 | 34 |
| Other support costs | 120 | 77 |
| Governance costs | 14 | 24 |
| | <u> </u> | <u> </u> |
| | 303 | 219 |
| | <u> </u> | <u> </u> |

7 Staff costs

| | 2016 £'000 | 2015 £'000 |
|--|-------------------|-------------------|
| Wages and salaries | 561 | 418 |
| Social security costs | 46 | 30 |
| Operating costs of defined benefit pension schemes | 97 | 63 |
| | <u> </u> | <u> </u> |
| Staff costs | 704 | 511 |
| Supply staff costs | 43 | 24 |
| Staff development and other staff costs | 7 | 2 |
| | <u> </u> | <u> </u> |
| Total staff expenditure | 754 | 537 |
| | <u> </u> | <u> </u> |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Staff costs

(Continued)

Staff numbers

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

| | 2016 Number | 2015 Number |
|----------------------------|----------------|----------------|
| Teachers | 7 | 7 |
| Administration and support | 17 | 18 |
| Management | 4 | 4 |
| | <u>28</u> | <u>29</u> |

Higher paid staff

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

| | 2016 Number | 2015 Number |
|-------------------|----------------|----------------|
| £60-001 - £70,000 | 1 | 1 |

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £264k (2015: £177k).

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

S Grange (Headteacher):

- Remuneration £65,000- £70,000 (9 months to 31 August 2015 £45,000 - £50,000)
- Employer's pension contributions £10,000 - £15,000 (9 months to 31 August 2015 £5,000 - £10,000)

S Nolan & A Camicia (staff):

- Remuneration £36,711 (9 months to 31 August 2015 £26,650)
- Employer's pension contributions £8,880 (9 months to 31 August 2015 £5,946)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

During the year, no expenses (2015: £475) were reimbursed to any (2015: one) governors. Other related party transactions involving the governors are set out within the related parties note.

9 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1k (2015 £1k).

10 Tangible fixed assets

| | Land and buildings £'000 | Computer equipment £'000 | Total £'000 |
|-----------------------|--------------------------------|--------------------------------|----------------|
| Cost | | | |
| At 1 September 2015 | 2,865 | 10 | 2,875 |
| Additions | 24 | 8 | 32 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2016 | 2,889 | 18 | 2,907 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 September 2015 | 19 | 3 | 22 |
| Charge for the year | 26 | 6 | 32 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2016 | 45 | 9 | 54 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 August 2016 | 2,844 | 9 | 2,853 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2015 | 2,846 | 7 | 2,853 |
| | <hr/> | <hr/> | <hr/> |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Tangible fixed assets

(Continued)

The land and buildings additions comprise of two canopies, new windows and doors and a new drainage system.

Included in land and buildings is land valued at £1,585k (2015: £1,585k) which is not depreciated.

| 11 Debtors | 2016 £'000 | 2015 £'000 |
|---|------------------|------------------|
| Trade debtors | 1 | - |
| VAT recoverable | 3 | 8 |
| Prepayments and accrued income | 13 | 12 |
| | <u>17</u> | <u>20</u> |
| | <u><u>17</u></u> | <u><u>20</u></u> |
| 12 Creditors: amounts falling due within one year | 2016 £'000 | 2015 £'000 |
| Accruals and deferred income | 42 | 33 |
| | <u>42</u> | <u>33</u> |
| 13 Deferred income | 2016 £'000 | 2015 £'000 |
| Deferred income is included within: | | |
| Creditors due within one year | 23 | 20 |
| | <u>23</u> | <u>20</u> |
| Deferred income at 1 September 2015 | 20 | - |
| Released from previous years | (20) | - |
| Amounts deferred in the year | 23 | 20 |
| | <u>23</u> | <u>20</u> |
| Deferred income at 31 August 2016 | <u><u>23</u></u> | <u><u>20</u></u> |

At the balance sheet date, the academy trust was holding funds received in advance for universal free school meals and rates grant.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

| | Balance at 1 September 2015 £'000 | Incoming resources £'000 | Resources expended £'000 | Gains, losses & transfers £'000 | Balance at 31 August 2016 £'000 |
|---|---|--------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant | - | 908 | (890) | (18) | - |
| Other DfE / EFA grants | 6 | 72 | (77) | - | 1 |
| Other government grants | - | 19 | (19) | - | - |
| | <u>6</u> | <u>999</u> | <u>(986)</u> | <u>(18)</u> | <u>1</u> |
| Funds excluding pensions | 6 | 999 | (986) | (18) | 1 |
| Pension reserve | (62) | - | (1) | (60) | (123) |
| | <u>(56)</u> | <u>999</u> | <u>(987)</u> | <u>(78)</u> | <u>(122)</u> |
| Restricted fixed asset funds | | | | | |
| General fixed asset fund | 2,853 | - | (32) | 32 | 2,853 |
| | <u>2,853</u> | <u>-</u> | <u>(32)</u> | <u>32</u> | <u>2,853</u> |
| Total restricted funds | <u>2,797</u> | <u>999</u> | <u>(1,019)</u> | <u>(46)</u> | <u>2,731</u> |
| Unrestricted funds | | | | | |
| General funds | 105 | 73 | (21) | (14) | 143 |
| | <u>105</u> | <u>73</u> | <u>(21)</u> | <u>(14)</u> | <u>143</u> |
| Total funds | <u>2,902</u> | <u>1,072</u> | <u>(1,040)</u> | <u>(60)</u> | <u>2,874</u> |

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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 2016.

Other DFE/EFA grants: This includes the pupil premium, UIFSM, sports funding grant and the devolved formula capital grant.

Other government grants: This includes SEN funding, rates relief and assistance for building expenditure and additional pupil premium received from the Local Authority.

The transfer of funds relate to the purchase of fixed assets during the period.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Analysis of net assets between funds

| | Unrestricted | Restricted funds: | | Total |
|--|--------------|-------------------|--------------|--------------|
| | Funds | General | Fixed asset | 2016 |
| | £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 August 2016 are represented by: | | | | |
| Tangible fixed assets | - | - | 2,853 | 2,853 |
| Current assets | 143 | 43 | - | 186 |
| Creditors falling due within one year | - | (42) | - | (42) |
| Defined benefit pension liability | - | (123) | - | (123) |
| | <u>143</u> | <u>(122)</u> | <u>2,853</u> | <u>2,874</u> |

16 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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

Not less than every four years 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.

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

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 will be as at March 2016, 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 the TPS in the period amounted to £64k (2015: £40k).

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

Under the definitions set out in FRS 102, the TPS is 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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £33k.

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.

| Total contributions made | 2016 | 2015 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Employer's contributions | 33 | 24 |
| Employees' contributions | 8 | 6 |
| | <hr/> | <hr/> |
| Total contributions | 41 | 30 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Principal actuarial assumptions | 2016 | 2015 |
| | % | % |
| Rate of increases in salaries | 3.3 | 3.8 |
| Rate of increase for pensions in payment | 1.9 | 2.3 |
| Discount rate | 2.1 | 4.0 |
| Inflation assumption (CPI) | 1.8 | 2.3 |
| | <hr/> <hr/> | <hr/> <hr/> |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

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

| | 2016 | 2015 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| - Males | 23.2 | 23.1 |
| - Females | 25.6 | 25.5 |
| Retiring in 20 years | | |
| - Males | 25.5 | 25.4 |
| - Females | 28.5 | 28.4 |
| | ===== | ===== |

The academy trust's share of the assets in the scheme

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | Fair value | Fair value |
| | £'000 | £'000 |
| Equities | 128 | 74 |
| Other bonds | 27 | 16 |
| Cash | 2 | 1 |
| Other assets | 15 | 11 |
| | ----- | ----- |
| Total market value of assets | 172 | 102 |
| | ===== | ===== |
| Actual return on scheme assets - gain/(loss) | 30 | 1 |
| | ===== | ===== |

Amounts recognised in the statement of financial activities

| | 2016 | 2015 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Current service cost (net of employee contributions) | 31 | 22 |
| Net interest cost | 2 | 2 |
| Plan introductions, benefit changes, curtailments and settlements | 1 | 1 |
| | ----- | ----- |
| Total operating charge | 34 | 25 |
| | ===== | ===== |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

| 16 Pensions and similar obligations | (Continued) | |
|--|--------------|--------------|
| Changes in the present value of defined benefit obligations | 2016 | 2015 |
| | £'000 | £'000 |
| Obligations at 1 September 2015 | 164 | - |
| Obligations acquired on conversion | - | 135 |
| Current service cost | 31 | 22 |
| Interest cost | 7 | 5 |
| Employee contributions | 8 | 6 |
| Actuarial loss | 85 | (4) |
| | <hr/> | <hr/> |
| At 31 August 2016 | 295 | 164 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the fair value of the academy trust's share of scheme assets | 2016 | 2015 |
| | £'000 | £'000 |
| Assets at 1 September 2015 | 102 | - |
| Assets acquired on conversion | - | 74 |
| Interest income | 5 | 3 |
| Return on plan assets (excluding amounts included in net interest): | | |
| Actuarial gain | 25 | (4) |
| Employer contributions | 33 | 24 |
| Employee contributions | 8 | 6 |
| Plan introductions, benefit changes, curtailments and settlements | (1) | (1) |
| | <hr/> | <hr/> |
| At 31 August 2016 | 172 | 102 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 17 Reconciliation of net income to net cash flows from operating activities | 2016 | 2015 |
| | £'000 | £'000 |
| Net income for the reporting period | 32 | 2,902 |
| Adjusted for: | | |
| Net deficit/(surplus) transferred on conversion | - | (2,878) |
| Defined benefit pension costs less contributions payable | (1) | (1) |
| Defined benefit pension net finance cost/(income) | 2 | 2 |
| Depreciation of tangible fixed assets | 32 | 22 |
| (Increase)/decrease in debtors | 3 | (20) |
| Increase/(decrease) in creditors | 9 | 33 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | 77 | 60 |
| | <hr/> <hr/> | <hr/> <hr/> |

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

| | 2016 £'000 | 2015 £'000 |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 5 | 5 |
| Amounts due in two and five years | - | 5 |
| | <u>5</u> | <u>10</u> |

20 Related party transactions

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

No related party transactions took place in the period of account.

21 Members' liability

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

ST JOSEPH'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

| | 1 September 2014 £'000 | 31 August 2015 £'000 |
|--|------------------------------|----------------------------|
| Funds as reported under previous UK GAAP and under FRS 102 | - | 2,902 |
| | ===== | ===== |

Reconciliation of net income for the previous financial period

| | Notes | 2015 £'000 |
|---|-------|---------------|
| Net income as reported under previous UK GAAP | | 2,903 |
| Adjustments arising from transition to FRS 102: | | |
| Change in recognition of LGPS interest cost | i | (1) |
| Net income reported under FRS 102 | | 2,902 |
| | | ===== |

Notes to reconciliations on adoption of FRS 102

(i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £1K and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.