

St Alban's Catholic High School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

**Company Registration Number:
07902662 (England and Wales)**

Contents

Reference and Administrative Details.....	3
Trustees' Report.....	4
Governance Statement.....	11
Statement of Regularity, Propriety and Compliance.....	14
Statement of Trustees' Responsibilities.....	15
Independent Auditor's Report on the Financial Statements.....	16
Independent Reporting Accountant's Assurance Report on Regularity.....	18
Statement of Financial Activities incorporating Income & Expenditure Account.....	20
Statement of Financial Activities for 2016/17 showing comparatives by fund.....	21
Balance Sheet.....	22
Statement of Cash Flows.....	23
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies.....	24
Other Notes to the Financial Statements.....	28

Reference and Administrative Details

Members	Bishop Alan Hope Father David Bagstaff East Anglia Roman Catholic Diocese Trust Mr David Verney		
Trustees *= members of the Infrastructure Committee	Mr David Verney* - Chairman Mrs Joanna McCall – Vice Chair Father John Warrington Mr Martin Woor* Mr Priya Nainthy Mrs Geraldine Lofthouse Mrs Jill Sandvig* Mrs Rita Jenner Mr Stephen Tidball Mrs Anne Cleary Father Tony Rogers Mr Philip Dance Mr John West* Mr Duncan Spencer* Mrs Sharon Mesplie-Cowan Mrs Lisa Weichert Mrs Elizabeth Kent Mr Ian Wallace* Mrs Louise Everitt Mr Jason Horne Mr Matthew Baker* Mr Sean Hayes* Mr Colin Walker*	Foundation Foundation Foundation Foundation Foundation Foundation Foundation Foundation Foundation Foundation Foundation Foundation Community Parent Parent Parent Parent Parent Staff Ex-Officio Ex-Officio Ex-Officio	 Resigned 26/09/2018 Resigned 30/11/2017 Resigned 10/09/2017 Resigned 12/07/2018 Resigned 12/11/2018 Appointed 01/09/2017 Appointed 01/09/2018 Appointed 01/05/2018 Appointed 01/06/2018 Resigned 18/07/2018 Resigned 04/12/2017 Resigned 10/11/2017 Appointed 01/02/2018 Resigned 12/09/2018 Appointed 01/02/2018 Appointed 19/02/2018 Resigned 29/10/2017
Senior Managers			
Executive Headteacher	Mr Sean Hayes		
Headteacher	Mr Matthew Baker		Appointed 19/02/2018
Principal	Mr Colin Walker		Resigned 29/10/2017
Deputy Headteacher	Mr Simon Corless		
Assistant Headteacher	Mrs Laura Lawrence		
Assistant Headteacher	Mrs Sarah Morris		Maternity Leave 01/11/2016-26/11/2017 and 02/07/18 to date
Assistant Headteacher	Mr Jason Horne		
Business Manager (Director of Finance)	Mr Seán Salter		
Finance Manager	Vacant		
Registered Office	St Alban's Catholic High School Digby Road Ipswich IP4 3NJ		
Company Registration Number	07902662		
Auditors	Ensors Accountants LLP Cardinal House 46 St Nicholas Street Ipswich IP1 1TT		
Bankers	Lloyds Bank Cornhill Ipswich IP1 1AQ		

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. This report also meets the requirement to provide a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 22-25 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, the requirements of the Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102), the Charities SORP 2015 (SORP 2015) and the Academies Accounts Direction 2017-2018.

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 trustees of St Alban's Catholic High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Alban's Catholic High School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

The Academy has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds losses that arise which would otherwise be covered by insurance. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

Method of Recruitment and Appointment or Election of Trustees

The management of the company is the responsibility of the Trustees who are appointed under the terms of the Articles of Association.

Trustees are subject to retirement after a term of 4 years. After the term they are eligible for re-appointment.

The Diocesan Bishop may appoint 10 Foundation Trustees one of whom shall be a member of the Roman Catholic clergy.

The Governing Body may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Trustees and Article 58A of the Memorandum and Articles of Association.

The Governing Body may appoint one Community Trustee provided that the total number of Community Trustees, Staff Trustees, the Headteacher and Parent Trustees does not exceed the number of Foundation Trustees plus two.

The Headteacher or Executive Headteacher shall be treated for all purposes as being an ex officio Trustee.

The Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent or carer of a pupil at the Academy at the time when he is elected.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

Trustees' Report (continued)

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy by a registered pupil at the Academy.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent or carer of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

In appointing a Parent Trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent or carer of a child of compulsory school age.

The Staff Trustees shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the Trustees. If a Staff Trustee ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of his work at the Academy. Any election of a Staff Trustee which is contested shall be held by secret ballot.

Co-Opted Trustees

The Trustees may appoint up to three Co-opted Trustees provided that if any such Trustees are appointed the number of Foundation Trustees shall increase proportionately to ensure that a majority of Trustees plus two are Foundation Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy would exceed one third of the total number of Trustees (including the Headteacher).

Appointment of Additional Trustees

The Secretary of State may give a warning notice to the Trustees and the Diocesan Bishop where he is satisfied:

- that the standards of performance of pupils at the Academy are unacceptably low, or
- that there has been a serious breakdown in the way the Academy is managed or governed, or
- that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

Policies & Procedures Adopted for the Induction and Training of Trustees

All new Trustees are given a tour of the Academy and the chance to meet with staff and students. All Trustees have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The management structure consists of three levels; the Trustees, Governing Body Committees and the Senior Leadership Team. The Trustees 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 staff appointments. Committees of the Governing body have delegated responsibilities. Committees exist for; Infrastructure, Pupils, Staff and Salaries. The Governing Body has no involvement in the day-to-day management of the Academy.

At 1 September 2017 the Senior Leadership Team consisted of the Principal, Deputy Principal, two Assistant Principals and the Business Manager (Director of Finance). From October 2017 the Executive Headteacher joined the Senior Leadership Team following the resignation of the Principal, at this point all Leadership 'principal' roles were renamed 'headteacher'. From February 2018 a new Headteacher joined the Senior Leadership Team. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The new Headteacher took over the role of Accounting Officer from February 2018.

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The key management personnel of the Academy comprises of the Trustees and the Senior Leadership Team. Trustees are not remunerated for their services as a trustee. The Trustees operate a whole school policy to setting pay and remuneration based upon the School Teachers' Pay and Conditions document, and for support staff the Local Government Service Pay Scales.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1.48	99.3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1.48
1% - 50%	
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	0
Total pay bill	0
Percentage	0

Related Parties and other Connected Charities and Organisations

As a Catholic faith school the Academy conducts its education business in accordance with the principles of the Catholic Church and has regard to any advice and directives issued by the Diocesan Bishop (Diocese of East Anglia). As such the Diocesan Bishop is a member of the Academy.

St Alban's Catholic High School also has links with three Catholic Primary Schools in Ipswich which form part of a school pyramid. Staff expertise is occasionally shared, but there is no specific financial or legal connection.

Objectives and Activities

Objects and Aims

The Academy's object is specifically restricted to the following:

To advance for the public benefit of 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 Catholic school designated as such, which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto, including any trust deed governing the use of land used by the Academy, both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

Objectives, Strategies and Activities

Following the result of the school's Ofsted inspection in September 2017, a new School Improvement Plan was developed, identifying clear targets and strategies that would underpin the Academy's aim of becoming 'good' at the earliest opportunity. In conjunction with the school's Senior Leadership Team, the Trustees identified broad objectives which enable the achievement of the improvement plan. This plan focused on five key areas of the school; Catholic Life; Leadership; Quality of Teaching; Outcomes and Interventions; and Behaviour and Welfare. In-year progress has included:

Trustees' Report (continued)

- Student engagement in 'Faith in Action'
- Spiritual leadership has been supported by professional development and staff retreats
- Form prayer inspections
- Developed a new pastoral leadership model that includes Heads of Year
- Implementation of GCSE pathways, providing a flexible and broad curriculum
- Diocesan MAT (Multi Academy Trust) engagement
- Sixth Form leadership developed to include a Deputy Head of Sixth Form
- New 'Parent Voice' group has been introduced
- Developed a new formative feedback approach
- Embedded rigorous quality assurance to Performance Management
- A structured approach to supporting Sixth Form students in their study periods
- Developed a clear and costed plan to support disadvantaged pupils
- Embedded 'Assessment Without Levels'
- Safeguarding procedures are reviewed regularly
- Developed pupil rewards scheme

Public Benefit

The Academy has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission as per Charities SORP Appendix 1: Glossary of terms:

"an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members"

St Alban's is a mixed secondary school with Sixth Form, in total there are just under 1,000 pupils. St Alban's is the only Catholic High School in the Ipswich area. It has to be said at the outset that Christian schools are different. The best schools, in our view, are the ones in which the environment of the school is permeated by Gospel values, a dedication to the teaching of Jesus Christ and a love of one's neighbour. All of us who work at St Alban's are aware of these distinguishing features, and also identify as people who put these ideas of *learning, respecting and caring* into practice. St Alban's therefore sees itself as a community, helping parents and parishes to develop the whole life of the young people in its care.

The School has had a good academic tradition achieving very impressive results in external examinations. St Alban's still enjoys a good reputation with parents and their children and this is reflected in the number of applications the school receives each year. The proportion of St. Alban's pupils progressing to A-level and other courses after the age of 16 years is significantly above the Suffolk county average. Many also go on to universities or colleges of further education. Those pupils less suited to academic studies also make great progress and benefit from a well-devised programme of support. The school provides a wide range of extra-curricular activities for all its students at lunchtime and after school.

Strategic Report

Achievements and Performance

A summary of our results are below:

GCSE - % of pupils gaining 4+ in English and Mathematics (Previous years A* - C)	
2013-2014	71%
2014-2015	69%
2015-2016	66%
2016-2017	67%
2017-2018	72%

A Level pass rate	
2013-2014	99%
2014-2015	99%
2015-2016	99%
2016-2017	100%
2017-2018	97%

Trustees' Report (continued)

Key Performance Indicators

St Alban's was inspected by Ofsted on 20th September 2017. The outcome of this inspection was that the school was judged as 'Requires Improvement'. The previous inspection, in May 2013, judged the school to be 'Good'.

The total number of students funded in the year ended 31 August 2018 numbered 973 (including 147 in Sixth Form). The Published Admission Number for years 7 to 11 is 168.

The Academy continues to be oversubscribed in years 7 to 11 however numbers in our Sixth Form have continued to decrease.

The school continues to focus on reducing pupil absenteeism. The percentage of student sessions (half days) missed through authorised absence is 2.8% (National average 3.4%). The percentage of student sessions (half days) missed through unauthorised absence is 0.6% (National average 1.3%)

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy has also been in receipt of capital grants from the ESFA. 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 year ended 31 August 2018, total expenditure of £5,252,050 was not covered by recurrent grant funding from the ESFA together with other incoming resources. The shortfall of income over expenditure for the year was £38,851, however excluding restricted pension fund and restricted fixed asset amortisation and depreciation, income exceeded expenditure by £106,458.

At 31 August 2018 the net book value of fixed assets was £286,864 and movements in fixed assets are shown within note 11 and note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS102, the Academy received an actuarial assessment of its pension scheme deficit. The deficit balance of £621,000 is included within the balance sheet as at 31 August 2018 and supporting note 22 to the accounts.

As at 31 August 2018 the total funds available were £858,159 of which, £309,730 was available for the general purposes of the Academy Trust. The Academy Trust held restricted general funds (excluding pension reserves) of £353,337 and unrestricted funds of £794,358 providing a net surplus of £1,147,695 as at the 31 August 2018.

Reserves Policy

St Alban's Catholic High School receives the majority of its restricted income from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) as per its Funding Agreement. The value of this income is calculated through the local funding formula and is based on student numbers from the October census for the General Annual Grant (GAG) and January census for Pupil Premium. Other restricted income is also usually received based on student need (ie. High needs top up funding). Funding is received separately for the main school (years 7-11) and the sixth form (years 12-13). GAG is paid monthly in equal twelfths and funding levels are known six months in advance of receipt.

The restricted fixed asset fund derives from items gifted upon the school's conversion and capital income from the DfE via the ESFA. The balance on this fund must always equal or exceed the net book value of the items purchased plus any unspent grants from the DfE. Only in exceptional circumstances with the express approval from the governing body should future years' capital funding from the DfE be spent and a detailed plan to repay this into the fund should be devised and monitored by the Finance Manager and governing body.

The unrestricted fund is made up of income from a variety of sources which may be from lettings, donations or sales.

Trustees' Report (continued)

The main priority for governors is to ensure the school delivers an outstanding level of education to its students and support its employees through any periods of change.

To avoid a reduction in the quality of education being received by students the governing body has agreed to keep a certain level of financial reserves to ensure that the main operations can continue for a period of one month. This would allow the Academy sufficient cashflow and time to continue operating with minimal impact to students whilst a solution is being sought. As changes in GAG funding levels are known six months in advance this will also give sufficient time for any major adjustments to be made.

The known rate of GAG should be sufficient to cover the running expenses of the Academy. Where unforeseen or investment costs occur, which means costs exceed GAG, this should be highlighted to governors and any GAG reserves used in the first instance with a plan to reduce the expenditure accordingly to within the GAG funding limits for future periods.

The reserves should be built up from the unrestricted income. The GAG and other restricted income is received to be spent on the current students generating that income. Therefore, a positive balance should be maintained within these funds and used to support the development of the school and its facilities for students currently at St Alban's Catholic High School and for those in the future.

The reserves value has been calculated based on average monthly staffing costs plus averages of premises occupancy costs and other supplies and services costs.

The minimum level of unrestricted reserves should therefore be £385,000. The level of reserves should be calculated and monitored every term by the Infrastructure Committee and on a bi-monthly basis by the Business Manager.

The current level of unrestricted funds is £794,358 and this is significantly greater than the minimum level. However, the Trustees believe that this level of reserves is appropriate due to the uncertainty of future funding, projected forecasts and future building works around the school.

Investment Policy

Academy balances are held with an appointed bank with proven experience in managing academy bank accounts and funds. The appointed bank must also have satisfactory credit ratings and this will be monitored by Trustees on an on-going basis.

The Infrastructure Committee has approved that short-term low-risk investments are made when the Academy bank balance allows.

This policy should be reviewed yearly and whenever there are significant changes in staff hours, pupil/staff numbers or interest rates.

Principal Risks and Uncertainties

The Academy Trust has identified a number of risks and included them as part of the approved risk register. This is reviewed and reported on annually by Trustees.

As an Academy School, the level of financial risk is no greater or smaller than a maintained school. The funding is based on the same national formulae. Budgets are approved by the Infrastructure Committee and performance against budgets reported on 3 times a year. In the review period the level of financial risk is considered low.

The Academy continues to have concerns about National Funding levels for schools in the light of ever increasing costs. Looking forward to 2018-2019 and beyond, we will continue to closely monitor and assess the decisions made at Government level that will impact our funding levels. The Academy continues to explore every opportunity to reduce costs and maximise the Academy's income.

The valuation of our Local Government Pension Scheme is undertaken by our actuary (Hymans Robertson) and as at 31 August 2018 showed a deficit balance of £621,000. This deficit is subject to periodic actuarial review and is regularly monitored by the Trustees.

Fundraising

The academy trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules.

Trustees' Report (continued)

Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. There were no complaints received in this period, however any complaints received would be handled and monitored through the Trust's complaints procedure.

Plans for Future Periods

In October 2017 the school was judged as 'Requires Improvement' by Ofsted. The school's key focus is to implement the Ofsted improvements to allow the school to regain its 'good' Ofsted rating.

The Academy will continue to scrutinise its expenditure and funding levels carefully. Medium term planning has been undertaken and this has highlighted areas of focus in 2018-2019 and beyond. The Academy will continue to monitor developments and information carefully in this regard and review plans accordingly when able to do so.

The Academy will improve the academic attainment of its students, helping to ensure they achieve jobs or appropriate places in higher education when they leave. The Academy must ensure recruitment in the main school is maintained and that there is a drive to increase current Sixth Form numbers.

The Roman Catholic Diocese of East Anglia has directed all schools within its remit to join a Catholic Multi-Academy Trust. Trustees are continuing to work towards this aim.

The Academy continues to look at improving its infrastructure around the school, focusing on re-submitting a Condition Improvement Fund bid for main block windows.

Auditor

Insofar as the Trustees are aware:

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

The auditors, Ensors Accountants LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3rd December 2018 and signed on the board's behalf by:

David Verney
Trustee

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that St Albans Catholic High 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 trustees 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 Albans Catholic High School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mr Matthew Baker	2	2
Ms Anne Cleary	4	4
Mr Philip Dance	0	1
Mrs Louise Everitt	1	2
Mr Sean Hayes	4	4
Mr Jason Horne	4	4
Mrs Rita Jenner	3	4
Mrs Joanna McCall	4	4
Mrs Sharon Mesplie-Cowan	2	2
Mr Priya Nainthy	1	1
Mrs Jill Sandvig	3	4
Mr Duncan Spencer	2	4
Mr Steve Tidball	4	4
Mr David Verney	4	4
Mr Colin Walker	1	1
Mr Ian Wallace	1	2
Father John Warrington	2	4
Mrs Lisa Weichert	3	4
Mr John West	1	1
Mr Martin Woor	3	4

Mr Matthew Baker became Headteacher in February 2018. There were no other key changes in the composition of the Board of Trustees.

The Infrastructure Committee is a sub-committee of the main board of trustees. Its purpose is to monitor and approve the Academy Trust budgets, finance and premises policies, assess the overall exposure to financial and premises related risk and make strategic decisions related to these. The Infrastructure Committee also fulfils the function of the audit committee.

During the year Sean Hayes, Matthew Baker, Ian Wallace and John West joined the committee, whilst Colin Walker, Sean Hayes, Duncan Spencer, Jill Sandvig and Ian Wallace resigned from the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Matthew Baker	2	2
Mr Sean Hayes	3	3
Mrs Jill Sandvig	3	3
Mr Duncan Spencer	2	3
Mr David Verney	3	3
Mr Colin Walker	0	0
Mr Ian Wallace	0	1
Mr John West	1	1
Mr Martin Woor	3	3

Governance Statement (continued)

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 trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by: Implementing a Leadership review, including a restructure of Teaching and Learning Responsibility payments, reduced support staff numbers, regraded support staff roles following vacancies.

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 Alban's Catholic High School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Infrastructure 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 board of trustees has considered the need for a specific internal audit function and has decided to appoint Schools' Choice to undertake an internal audit support service, with a Trustee acting as a reporting link to the governing body.

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

- Payroll,
- Purchasing,
- Petty Cash,
- Income Controls,
- Monitoring & Review,
- Governance,
- Planning Cycle and Budget,
- Inventory & Security,
- Tax,
- Data Security,
- Insurance

Governance Statement (continued)

On a termly basis, following the reviews from Schools' Choice, the trustee representative reports to the board of trustees through the Infrastructure committee and full governing body on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. During the period ending 31 August 2018, Schools' Choice has delivered their schedule as planned and no material control issues arose as a result of their review.

Review of Effectiveness

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

- the work of the responsible officer (trustee representative)
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Infrastructure Committee and has addressed the actions within the action plan and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3rd December 2018 and signed on its behalf by:

David Verney
Chair of Trustees

Matthew Baker
Accounting Officer

Statement of Regularity, Propriety and Compliance

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

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

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

Matthew Baker
Accounting Officer

3rd December 2018

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- 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 financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3rd December 2018 and signed on its behalf by:

David Verney
Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Alban's Catholic High School

Opinion

We have audited the financial statements of St Alban's Catholic High School (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Alban's Catholic High School (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

.....
Helen Rumsey (Senior Statutory Auditor)
For and on behalf of Ensors Accountants LLP, Statutory Auditor

Date:.....

Independent Reporting Accountant's Assurance Report on Regularity St Alban's Catholic High School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 October 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Alban's Catholic High School during the period 01 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Alban's Catholic High School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Alban's Catholic High School funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

Independent Reporting Accountant's Assurance Report on Regularity to St Alban's Catholic High School and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, [except for the matters listed below] nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Date:.....

**Statement of Financial Activities for the period ended 31 August 2018
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	4,620	8,900	22,118	35,638	55,845
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	763	5,056,024	-	5,056,787	5,417,412
Other trading activities	4	117,487	-	-	117,487	111,586
Investments	5	3,287	-	-	3,287	2,822
Total		<u>126,157</u>	<u>5,064,924</u>	<u>22,118</u>	<u>5,213,199</u>	<u>5,587,665</u>
Expenditure on:						
Raising Funds	6	17,769	20	-	17,789	18,420
<i>Charitable activities:</i>						
Academy trust educational operations	7	11,722	5,160,134	62,405	5,234,261	5,615,106
Total		<u>29,491</u>	<u>5,160,154</u>	<u>62,405</u>	<u>5,252,050</u>	<u>5,633,526</u>
Net income / (expenditure)		96,666	(95,230)	(40,287)	(38,851)	(45,861)
Transfers between funds	15	-	(47,978)	47,978	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	15,22	-	429,000	-	429,000	861,000
Net movement in funds		96,666	285,792	7,691	390,149	815,139
Reconciliation of funds						
Total funds brought forward at 1 September 2017	15	<u>697,692</u>	<u>(553,455)</u>	<u>323,773</u>	<u>468,010</u>	<u>(347,129)</u>
Funds carried forward at 31 August 2018		<u>794,358</u>	<u>(267,663)</u>	<u>331,464</u>	<u>858,159</u>	<u>468,010</u>

All of the academy's activities derive from continuing operations during the current financial period.

**Statement of Financial Activities for the period ended 31 August 2017
(including Income and Expenditure Account) showing comparatives by fund**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:				
Donations and capital grants	5,771	27,500	22,574	55,845
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	5,121	5,412,291	-	5,417,412
Other trading activities	111,586	-	-	111,586
Investments	2,822	-	-	2,822
Total income and endowments	<u>125,300</u>	<u>5,439,791</u>	<u>22,574</u>	<u>5,587,665</u>
Expenditure on:				
Raising Funds	18,420	-	-	18,420
<i>Charitable activities:</i>				
Academy trust educational operations	29,806	5,501,491	83,809	5,615,106
Total expenditure	<u>48,226</u>	<u>5,501,491</u>	<u>83,809</u>	<u>5,633,526</u>
Net income / (expenditure)	77,074	(61,700)	(61,235)	(45,861)
Transfers between funds	-	(42,125)	42,125	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	861,000	-	861,000
Net movement in funds	<u>77,074</u>	<u>757,175</u>	<u>(19,110)</u>	<u>815,139</u>
Reconciliation of funds				
Total funds brought forward at 1 September 2016	<u>620,618</u>	<u>(1,310,630)</u>	<u>342,883</u>	<u>(347,129)</u>
Funds carried forward at 31 August 2017	<u>697,692</u>	<u>(553,455)</u>	<u>323,773</u>	<u>468,010</u>

Balance Sheet as at 31 August 2018

	Notes	2018 £	2017 £
Fixed Assets			
Intangible assets	11	3,415	8,327
Tangible assets	12	<u>283,449</u>	<u>292,964</u>
		<u>286,864</u>	<u>301,291</u>
Current assets			
Debtors	13	153,447	186,870
Cash at bank and in hand		<u>1,259,998</u>	<u>1,347,088</u>
		<u>1,413,445</u>	<u>1,533,958</u>
Liabilities			
Creditors: Amounts falling due within one year	14	<u>(221,150)</u>	<u>(470,239)</u>
Net current assets		<u>1,192,295</u>	<u>1,063,719</u>
Net assets excluding pension liability		<u>1,479,159</u>	<u>1,365,010</u>
Defined benefit pension scheme liability	22	<u>(621,000)</u>	<u>(897,000)</u>
Total net assets		<u>858,159</u>	<u>468,010</u>
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	15	331,464	323,773
- Restricted income fund	15	353,337	343,545
- Pension reserve	15	<u>(621,000)</u>	<u>(897,000)</u>
Total restricted funds		<u>63,801</u>	<u>(229,682)</u>
Unrestricted income funds	15	794,358	697,692
Total unrestricted funds		<u>794,358</u>	<u>697,692</u>
Total funds		<u>858,159</u>	<u>468,010</u>

The financial statements on pages 20 to 41 were approved by the trustees, and authorised for issue on 3rd December 2018 and are signed on their behalf by:

David Verney
Chair of Trustees

Statement of Cash Flows for the period ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	18	(64,517)	275,615
Cash flows from investing activities			
	19	(22,573)	(26,889)
Change in cash and cash equivalents in the reporting period		<u>(87,090)</u>	<u>248,726</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017	20	1,347,088	1,098,362
Cash and cash equivalents at 31 August 2018		<u>1,259,998</u>	<u>1,347,088</u>

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

1. Statement of Accounting Policies

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.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital Grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

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

- **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**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding Transfers on conversion/into trust)**

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.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)

1. Statement of Accounting Policies (continued)

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 are attributable to a single activity and are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Purchased computer software	33%
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Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the required grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

• Leasehold Land & Buildings	2%
• Fixtures and fittings	10%
• Plant and Equipment	20%
• Computer hardware	20% - 33%

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

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

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 or services it must provide.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**1. Statement of Accounting Policies (continued)****Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measure at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The 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 part 11, chapter 3 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.

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.

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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**1. Statement of Accounting Policies (continued)****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 trustees.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Critical areas of judgement

The legal owner of the school premises (excluding the playing fields) is the East Anglia Roman Catholic Diocesan Trust and the Academy Trust occupies the premises by way of a supplementary use agreement. The Trustees have exercised judgement to conclude that control remains with the East Anglia Roman Catholic Diocesan Trust and not the Academy Trust and therefore the land and buildings are not shown on the Academy Trust's Balance Sheet.

In relation to the use of the above premises the Trustees do not feel a notional rent expense and a notional donation can be reliably measured and therefore this has not been recognised within the accounts.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**2 Donations and Capital Grants**

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital grants				
Devolved Formula Capital	-	22,118	22,118	22,574
Other donations				
Diocese of East Anglia	-	-	-	21,000
The Ropes Trust	-	8,900	8,900	6,500
The Friends of St Albans	3,110	-	3,110	3,251
Other Donations	1,510	-	1,510	2,520
	4,620	31,018	35,638	55,845

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA Revenue Grants				
General Annual Grant	-	4,709,459	4,709,459	4,842,853
Pupil Premium	-	146,235	146,235	161,204
Rates Relief	-	26,181	26,181	24,983
Year 7 Catch up Grant	-	5,964	5,964	6,000
Condition Improvement Fund	-	-	-	143,879
	-	4,887,839	4,887,839	5,178,919
Other Government Grants				
High Needs Tariff	-	50,757	50,757	49,503
Children in Care (CIC)	-	10,732	10,732	11,728
SCITT	-	2,000	2,000	950
Teach First	-	-	-	2,600
	-	63,489	63,489	64,781
Other income from the academy trust's educational operations				
Academy Trips	763	104,696	105,459	173,712
	763	5,056,024	5,056,787	5,417,412

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of Facilities	52,173	-	52,173	43,181
Items Sold	20,991	-	20,991	20,373
Insurance Claims	-	-	-	4,070
Fundraising	34	-	34	103
Income from Services Provided	6,507	-	6,507	5,901
NEI Partnership	-	-	-	3,091
Technology Support	4,706	-	4,706	4,130
Educational Materials	6,528	-	6,528	5,604
Exam Fees Income	2,835	-	2,835	4,423
Music Tuition	17,478	-	17,478	17,223
Alpha Guardians	2,200	-	2,200	2,420
NEACO	4,035	-	4,035	1,067
	117,487	-	117,487	111,586

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**5 Investment Income**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Bank Interest	3,287	-	3,287	<i>2,822</i>
	3,287	-	3,287	<i>2,822</i>

6 Expenditure

	Non Pay Expenditure			Total 2018	Total 2017
	Staff Costs	Premises	Other	£	£
	£	£	£		
Expenditure on raising funds					
• Allocated Support Costs	-	-	17,789	17,789	<i>18,420</i>
Academy's educational operations					
• Direct Costs	3,565,384	52,693	416,273	4,034,350	<i>4,173,364</i>
• Allocated Support Costs	701,746	308,431	189,734	1,199,911	<i>1,441,742</i>
	4,267,130	361,124	623,796	5,252,050	<i>5,633,526</i>

Net Income/(expenditure) for the period includes:

	2018	2017
	£	£
Operating lease rentals	6,223	<i>6,376</i>
Depreciation	57,493	<i>78,853</i>
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	4,912	<i>4,956</i>
Fees payable to auditor for:		
- audit	7,070	<i>6,750</i>
- other services	4,290	<i>4,125</i>
	79,988	<i>101,060</i>

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**7 Charitable Activities**

	Total 2018	Total 2017
	£	£
Direct costs - educational operations	4,034,350	4,173,364
Support costs - educational operations	1,199,911	1,441,742
	<u>5,234,261</u>	<u>5,615,106</u>

	Educational Operations	Total 2018	Total 2017
	£	£	£
Analysis of support costs			
Support staff costs	676,615	676,615	694,061
Depreciation	9,712	9,712	25,084
Technology costs	20,341	20,341	30,057
Premises costs	298,719	298,719	492,283
Other support costs	154,152	154,152	176,906
Governance costs	40,372	40,372	23,351
Total support costs	1,199,911	1,199,911	1,441,742

8 Staff

	Total 2018	Total 2017
	£	£
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,205,987	3,255,758
Social security costs	308,759	312,123
Operating costs of defined benefit pension schemes	680,302	652,449
	<u>4,195,048</u>	<u>4,220,330</u>
Supply staff costs	72,082	151,259
	<u>4,267,130</u>	<u>4,371,589</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	60	66
Administration and support	54	53
Management	5	5
	<u>119</u>	<u>124</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**8 Staff****c. Higher paid staff**

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

	2018	2017
	No.	No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the academy trust was £440,483 (2017:£468,796).

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment.

The value of trustees' remuneration was as follows:

C Walker (principal and trustee):

Remuneration £30,000 - £35,000 (2017: £85,000 - £90,000)

Employers pension contributions £5,000 - £10,000 (2017: £10,000 - £15,000)

M Baker (headteacher and trustee)

Remuneration £40,000 - £45,000 (2017: £nil)

Employers pension contributions £5,000 - £10,000 (2017: £nil)

J Horne (staff trustee):

Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)

Employers pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

L Weichert (trustee & exam invigilator)

Remuneration £0 - £1000 (2017: £Nil)

Employer's pension contributions £Nil (2017: £Nil)

During the period ended 31 August 2018, travel and subsistence expenses totalling £nil (2017: £265) were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**11 Intangible Fixed Assets**

	Computer Software £	Total £
Cost		
At 1 September 2017	52,491	52,491
At 31 August 2018	<u>52,491</u>	<u>52,491</u>
Amortisation		
At 1 September 2017	44,164	44,164
Charged in year	4,912	4,912
At 31 August 2018	<u>49,076</u>	<u>49,076</u>
Carrying Amount		
At 31 August 2017	8,327	8,327
At 31 August 2018	<u>3,415</u>	<u>3,415</u>

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Plant and Equipment £	Computer Hardware £	Furniture and Fixtures £	Total £
Cost					
At 1 September 2017	124,000	5,109	387,343	154,985	671,437
Additions	-	-	45,103	2,875	47,978
At 31 August 2018	<u>124,000</u>	<u>5,109</u>	<u>432,446</u>	<u>157,860</u>	<u>719,415</u>
Depreciation					
At 1 September 2017	13,847	1,869	320,901	41,856	378,473
Charged in year	2,479	720	38,545	15,749	57,493
At 31 August 2018	<u>16,326</u>	<u>2,589</u>	<u>359,446</u>	<u>57,605</u>	<u>435,966</u>
Net Book Values					
At 31 August 2017	110,153	3,240	66,442	113,129	292,964
At 31 August 2018	<u>107,674</u>	<u>2,520</u>	<u>73,000</u>	<u>100,255</u>	<u>283,449</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**13 Debtors**

	2018	2017
	£	£
Trade debtors	8,591	10,169
VAT recoverable	69,508	70,148
Other debtors	200	-
Prepayments and accrued income	<u>75,148</u>	<u>106,553</u>
	<u>153,447</u>	<u>186,870</u>

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	61,136	234,061
Taxation and social security	74,050	78,627
Other creditors	10,864	78,449
Accruals and deferred income	<u>75,100</u>	<u>79,102</u>
	<u>221,150</u>	<u>470,239</u>

Deferred Income

	2018	2017
	£	£
Deferred Income at 1 September 2017	55,408	61,133
Released from previous years	(55,408)	(61,133)
Resources deferred in the year	<u>36,906</u>	<u>55,408</u>
Deferred Income at 31 August 2018	<u>36,906</u>	<u>55,408</u>

At the balance sheet date the academy trust was holding funds received in advance for educational visits (£21,376) and rates relief (£15,530).

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**15 Funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	314,071	4,709,459	(4,484,822)	(228,978)	-	309,730
Pupil Premium	17,207	156,967	(160,744)	-	-	13,430
Other ESFA/DfE Grants	2	32,145	(28,574)	-	-	3,573
Other Restricted Funds	12,265	166,353	(152,014)	-	-	26,604
Pension reserve	(897,000)	-	(334,000)	181,000	429,000	(621,000)
	(553,455)	5,064,924	(5,160,154)	(47,978)	429,000	(267,663)
Restricted fixed asset funds						
DfE/ESFA Capital Grants	57,593	22,118	(4,088)	-	-	75,623
Capital expenditure from GAG	137,094	-	(52,647)	47,978	-	132,425
Donated Assets	121,202	-	(4,800)	-	-	116,402
Other Restricted Funds	7,884	-	(870)	-	-	7,014
	323,773	22,118	(62,405)	47,978	-	331,464
Total restricted funds	(229,682)	5,087,042	(5,222,559)	-	429,000	63,801
Unrestricted funds						
Unrestricted funds	697,692	126,157	(29,491)	-	-	794,358
Total unrestricted funds	697,692	126,157	(29,491)	-	-	794,358
Total funds	468,010	5,213,199	(5,252,050)	-	429,000	858,159

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

- The General Annual Grant (GAG) is used for the normal running costs of the Academy. There is no limit on the GAG funds that can be carried forward.
- The Pupil Premium grant is used to address the educational needs of the students attracting this funding.
- Other DfE/ESFA grants are various specific grants provided to the academy from the DfE/ESFA. This includes rates relief and Year 7 Catch up funding.
- Other restricted funds include income and expenditure on trips and other specific grants from the Local Authority (such as funding for High Needs Tariff) and other sources for specific educational projects.
- The restricted pension reserve relates to the Local Government Pension Scheme (LGPS) deficit inherited on conversion.
- DfE/ESFA Capital Grants is the Devolved Formula Capital grant, spent on a variety of capital items.

The trust is carrying a net surplus of £353,337 on restricted general funds and £794,358 on unrestricted funds.

Transfers between restricted funds comprise:

- Transfer of pension contributions from GAG to Restricted Pension Fund of £181,000
- Transfer of fixed assets purchased from GAG to the Restricted Fixed Asset Fund of £47,978

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)

15 Funds (continued)

Comparative information in respect of the preceding period is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	Balance at 31 August 2017 £
Restricted general funds						
General Annual Grant (GAG)	245,529	4,842,853	(4,546,060)	(228,251)	-	314,071
Pupil Premium	17,157	172,932	(172,882)	-	-	17,207
Other ESFA/DfE Grants	1,999	30,983	(41,289)	8,309	-	2
Other Restricted Funds	21,543	249,144	(248,239)	(10,183)	-	12,265
Condition Improvement Fund	33,142	143,879	(177,021)	-	-	-
Pension reserve	(1,630,000)	-	(316,000)	188,000	861,000	(897,000)
	<u>(1,310,630)</u>	<u>5,439,791</u>	<u>(5,501,491)</u>	<u>(42,125)</u>	<u>861,000</u>	<u>(553,455)</u>
Restricted fixed asset funds						
DfE/ESFA Capital Grants	37,803	22,574	(2,784)	-	-	57,593
Capital expenditure from GAG	172,211	-	(75,368)	40,251	-	137,094
Donated Assets	126,003	-	(4,801)	-	-	121,202
Other Restricted Funds	6,866	-	(856)	1,874	-	7,884
	<u>342,883</u>	<u>22,574</u>	<u>(83,809)</u>	<u>42,125</u>	<u>-</u>	<u>323,773</u>
Total restricted funds	(967,747)	5,462,365	(5,585,300)	-	861,000	(229,682)
Unrestricted funds						
Unrestricted funds	620,618	125,300	(48,226)	-	-	697,692
Total unrestricted funds	620,618	125,300	(48,226)	-	-	697,692
Total funds	(347,129)	5,587,665	(5,633,526)	-	861,000	468,010

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	245,529	9,552,312	(9,030,882)	(457,229)	-	309,730
Pupil Premium	17,157	329,899	(333,626)	-	-	13,430
Other ESFA/DfE Grants	1,999	63,128	(69,863)	8,309	-	3,573
Other Restricted Funds	21,543	415,497	(400,253)	(10,183)	-	26,604
Condition Improvement Fund	33,142	143,879	(177,021)	-	-	-
Pension reserve	(1,630,000)	-	(650,000)	369,000	1,290,000	(621,000)
	<u>(1,310,630)</u>	<u>10,504,715</u>	<u>(10,661,645)</u>	<u>(90,103)</u>	<u>1,290,000</u>	<u>(267,663)</u>
Restricted fixed asset funds						
DfE/ESFA Capital Grants	37,803	44,692	(6,872)	-	-	75,623
Capital expenditure from GAG	172,211	-	(128,015)	88,229	-	132,425
Donated Assets	126,003	-	(9,601)	-	-	116,402
Other Restricted Funds	6,866	-	(1,726)	1,874	-	7,014
	<u>342,883</u>	<u>44,692</u>	<u>(146,214)</u>	<u>90,103</u>	<u>-</u>	<u>331,464</u>
Total restricted funds	(967,747)	10,549,407	(10,807,859)	-	1,290,000	63,801
Unrestricted funds						
Unrestricted funds	620,618	251,457	(77,717)	-	-	794,358
Total unrestricted funds	620,618	251,457	(77,717)	-	-	794,358
Total funds	(347,129)	10,800,864	(10,885,576)	-	1,290,000	858,159

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**16 Analysis of Net Assets between Funds**

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds 2018
	£	£	£	£
Intangible fixed assets	-	-	3,415	3,415
Tangible Fixed assets	-	-	283,449	283,449
Current assets	815,734	553,111	44,600	1,413,445
Current liabilities	(21,376)	(199,774)	-	(221,150)
Pension scheme liability	-	(621,000)	-	(621,000)
Total net assets	<u>794,358</u>	<u>(267,663)</u>	<u>331,464</u>	<u>858,159</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds 2017
	£	£	£	£
Intangible fixed assets	-	-	8,327	8,327
Tangible Fixed assets	-	-	292,964	292,964
Current assets	697,692	791,474	44,792	1,533,958
Current liabilities	-	(447,929)	(22,310)	(470,239)
Pension scheme liability	-	(897,000)	-	(897,000)
Total net assets	<u>697,692</u>	<u>(553,455)</u>	<u>323,773</u>	<u>468,010</u>

17 Commitments under Operating Leases**Operating Leases**

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	6,190	6,223
Amounts due between one and five years	6,191	12,381
	<u>12,381</u>	<u>18,604</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**18 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities**

	2018	2017
	£	£
Net income/(expenditure) for the year (as per the statement of financial activities)	(38,851)	(45,861)
Adjusted for:		
Amortisation (note 11)	4,912	4,956
Depreciation (note 12)	57,493	78,853
Capital grants from DfE and other capital income	(22,118)	(22,574)
Interest receivable (note 5)	(3,287)	(2,822)
Defined benefit pension scheme cost less contributions payable (note 22)	129,000	92,000
Defined benefit pension scheme finance cost (note 22)	24,000	36,000
(Increase)/decrease in debtors	33,423	(19,694)
Increase/(decrease) in creditors	(249,089)	154,757
Net cash (used in) / provided by Operating Activities	<u>(64,517)</u>	<u>275,615</u>

19 Cash Flows from Investing Activities

	2018	2017
	£	£
Dividends, interest and rents from investments	3,287	2,822
Purchase of tangible fixed assets	(47,978)	(52,285)
Capital grants from DfE / ESFA	22,118	22,574
Net cash provided by / (used in) investing activities	<u>(22,573)</u>	<u>(26,889)</u>

20 Analysis of Cash and Cash Equivalents

	At 1 September 2017	Cash flows	At 31 August 2018
	£	£	£
Cash in hand and at bank	<u>1,347,088</u>	<u>(87,090)</u>	<u>1,259,998</u>
Total cash and cash equivalents	<u>1,347,088</u>	<u>(87,090)</u>	<u>1,259,998</u>

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)

22 Pension and Similar Obligations

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

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

Contributions amounting to £Nil (2017: £73,421) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme 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 Gap) 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 on 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Gap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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 gap 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 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £369,986 (2017: £372,671).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension 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.

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**22 Pension and Similar Obligations (continued)****Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £235,546 (2017: £246,844), of which employer's contributions totalled £187,546 (2017: £198,277) and employees' contributions totalled £48,000 (2017: £48,567). The agreed contribution rates for future years are 23.5% for 2018/19 and 23.2% for 2019/20 for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £14,100	5.50%
£14,101 - £22,000	5.80%
£22,001 - £35,700	6.50%
£35,701 - £45,200	6.80%
£45,201 - £63,100	8.50%
£63,101 - £89,400	9.90%
£89,401 - £105,200	10.50%
£105,201 - £157,800	11.40%
£157,801+	12.50%

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

Principal Actuarial Assumptions

	At 31 August 2018 p.a.	At 31 August 2017 p.a.
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Discount rate for scheme liabilities	2.80%	2.50%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.4	26.4

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**22 Pension and Similar Obligations (continued)**

	At 31 August 2018	At 31 August 2017
	£	£
Sensitivity analysis		
Discount rate -0.1%	92,000	86,000
CPI rate +0.1%	77,000	69,000

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	1,813,500	1,757,120
Corporate bonds	789,750	542,640
Property	292,500	258,400
Cash and other liquid assets	29,250	25,840
Total market value of assets	<u>2,925,000</u>	<u>2,584,000</u>

The actual return on scheme assets was £133,000 (2017: £370,000).

Amounts recognised in the statement of financial activities

	2018	2017
	£	£
Current service cost	(310,000)	(280,000)
Interest income	67,000	44,000
Interest cost	(91,000)	(80,000)
Total amount recognised in the SOFA	<u>(334,000)</u>	<u>(316,000)</u>

Changes in the present value of defined benefit obligations were as follows:

	2018	2017
	£	£
At 1 September	3,481,000	3,655,000
Current service cost	310,000	280,000
Interest cost	91,000	80,000
Employee contributions	48,000	49,000
Actuarial (gain)	(356,000)	(535,000)
Benefits paid	(28,000)	(48,000)
At 31 August	<u>3,546,000</u>	<u>3,481,000</u>

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

	2018	2017
	£	£
At 1 September	2,584,000	2,025,000
Interest income	67,000	44,000
Actuarial gain	73,000	326,000
Employer contributions	181,000	188,000
Employee contributions	48,000	49,000
Benefits paid	(28,000)	(48,000)
At 31 August	<u>2,925,000</u>	<u>2,584,000</u>

Notes to the Financial Statements for the Year Ended 31 August 2018 (Continued)**23 Related Party Transactions**

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

During the prior year, the East Anglia Roman Catholic Diocesan Trust (EARCDT), a charity that has significant influence over the Academy, donated £21,000 towards the sixth form build. There were no transactions between the Academy and EARCDT during the year ended 31 August 2018.

24 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £13,850 and disbursed £10,672 from the fund. An amount of £4,395 is included in other creditors relating to undistributed funds that is repayable to the ESFA.