

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

Annual Report and Financial Statements

Period 7 July 2011 to 31 August 2012

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

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St Joseph's Catholic College

Reference and administrative details

Governors	Rev T D Aspell L Banda D G Bason Mrs J E Binstead R C Collins Mrs P M Connolly K N Cowie Mrs C M Ferrari K A Gleed Mrs A F Greevy Mrs M A Harries S F Lake C B Lang A J Matthews P Mazzotta M McAndrew S Pajak Mrs L Skittrall A J Szeliga B Williams	- appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - resigned 6.2.12 - appointed 7.7.11 - appointed 7.7.11 - resigned 6.2.12 - appointed 1.5.12 - appointed 7.7.11 - appointed 7.7.11 - resigned 31.5.12 - appointed 7.7.11 - resigned 6.2.12 - appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - appointed 7.7.11 - resigned 6.2.12 - appointed 7.7.11 - appointed 1.6.12 - appointed 7.7.11 - resigned 6.2.12
Secretary	Mrs H Peace	
Senior management team	Mrs M A Harries B Slater Mrs C Bailey Mrs K Sanders N Hathaway A Stoten Mrs H Peace	Principal Assistant Principal Assistant Principal Assistant Principal Assistant Principal Assistant Principal Director of Finance & Operations
Registered Office	St Joseph's Catholic College Ocotal Way Swindon SN3 3LR	
Company Registration Number	07696999	
Auditors	Monahans Statutory auditors 38-42 Newport Street Swindon SN1 3DR	
Bankers	NatWest Swindon Commercial Road Branch 84 Commercial Road Swindon SN1 5NW	

St Joseph's Catholic College

Solicitors

Rickerbys LLP
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

St Joseph's Catholic College

Governors' Report

The governors present their annual report together with the audited financial statements of the Academy for the period ended 31 August 2012.

Structure, Governance and Management

Constitution

The Academy 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.

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

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

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy's expense to cover the liabilities of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the College, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty and which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the cost of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the College. The limit of this indemnity is £5,000,000.

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

Principal Activities

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

Method of Recruitment and Appointment or Election of Governors

On 1st August the Directors appointed all those Governors that served the Predecessor College to be Governors of the newly formed academy. These Governors were appointed as a term of office that would end when their original term at the Predecessor College would have ended, thus ensuring a staged re-election or replacement process.

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

- 9 Foundation Governors who are appointed by the Catholic Bishop of Clifton
- 2 Parent Governors (including one vacancy)
- 2 Staff Governors
- 1 Additional Governor
- The Principal who is treated for all purposes as being an ex officio Governor

St Joseph's Catholic College

Governors' Report (continued)

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

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

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

The Academy has a Governor Recruitment and Induction Policy.

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

Organisational Structure

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

There are five committees, as follows:

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

The Governors have devolved responsibility for day to day management of the College to the Principal and Leadership Group.

The Principal is the Accounting Officer.

The responsibilities of each member of the Leadership Group are reviewed annually and discussed with Governors.

Members of the Leadership Group are ex-officio members of relevant Governing Committees.

The Leaderships comprises of a Principal, five Assistant Principals and a Director of Finance and Operations.

The activities of Leadership Group are underpinned by Governors and Principals expectations, policies and procedures.

Risk Management

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

The objectives for managing risk across the College are:

- To comply with risk management best practice.

Governors' Report (continued)

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

Connected Organisations, including Related Party Relationships

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

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities

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

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

The Key priorities for the year 2011/12 are contained in our College Improvement Plan 2011-2014 and include the following:

- To support students English Baccalaureate qualifications.
This was a real area of success for the College, despite the lack of inclusion of RE in the Humanities options issued by the DfE.
- To improve the APS at AS and A2 Level
Another area of success, the Average Points Score has improved year on year for the last 4 years.
- To ensure all students have access to a personalised pathway (intervention)
A dedicated Assistant Principal for Raising Standards works with all departments to ensure robust intervention is set in place.
- To develop independent learners.
- To develop a community of learners (group work, coaching, mentoring)
- To secure a House System that promotes affinity (identity, enriches community life and drives attainment)
We have a new and well received house system in place, with 4 houses. Each house has a dedicated Head of House and Assistant Principal.
- Members of College become Managers of self- learning, time and their own welfare.
- To know all children (all groups) to respond to their social, cultural, moral and spiritual needs to reduce barriers and "close the gap".
- To improve professional practice through reflective enquiry and moral purpose to be leaders of learning throughout the College.
We have developed learning detectives to report back on student views.
- To enhance student leadership capacity to contribute to whole College life.
This is achieved via a very active Student Parliament, with representation from all year groups. This body has suggested and led the implementation of many improvements in the College.
- To be leaders in the wider community and embrace the principle of "beyond our selves".

Our whole Improvement Plan is based on the David Hargreaves approach of clustering Personalised Learning via the 4 deeps matrix.

St Joseph's Catholic College

Governors' Report (continued)

Public Benefit

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

Achievements and Performance

The College has successfully completed its first year as an Academy. It has been a highly successful change for the College, emphasised by the fact that we have seen very little difference. That was always our purpose in becoming an Academy so that we could maintain our high standards for the young people of St Joseph's and not have to endure forced changes due to a shortage of resources. We have been able to balance the budget and set a viable budget for next year. However, out of a budget of 6.8 million pounds the contingency element for next year, within the budget, is still much lower than we would prefer.

The total number on role in July 2012 is 1,296 students, and further students are often admitted on appeal. The College continues to be over-subscribed.

Exam Performance

GCSE

In Summer 2012, 78% passed 5 or more A*'s to C. This would be a statistic any comprehensive would be proud of. The only slight disappointment was that we were hoping for better outcomes on our 5 or more A*'s to C, including English and Maths. We achieved 42% but most of this was attributable to the apparent change in the grading regime by the relevant exam board, for both subjects. As a school we set the highest standard as targets and we will continue to work to improve this percentage. 23% of our students achieved the English Baccalaureate which we are delighted with considering the current directive that RE, a compulsory subject in all years in a faith school, cannot count towards the Humanities option.

A – Level

We were truly delighted with our A- level results. The overall pass rate was 100%. This is a remarkable performance and Governors congratulations go both to the students and the staff who worked together such excellence. 79% of our students achieved 3 or more A Levels, with 94% achieving 2 or more. We set targets for all our departments and very few failed achieve this level. It means that our students have the best chance possible of achieving their aim. 3 of our students this year achieved places at Oxford University.

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

Plans for Future Periods

There were a number of staff changes in the year, due to staff being promoted to other, mainly local schools, maternity leave and above average rate of long term absence. This has all been well managed due to well established succession planning programme. Internal structure changes have resulted in Team and Subject Leaders being transferred to new roles of Associate Leaders, on the LG salary scale. This change is part of an overall process which the College considers absolutely crucial to ensuring our whole philosophy is continued and developed at the highest possible level.

The College is involved at a broader level in different working parties and national groups. The Principal is Chair of the local collaborative EOTAS provision, remains a committed member of the Swindon Association of Secondary Head Teachers and is the Diocesan representative on the local schools forum. The Director of Finance and Operations is a member of the Advisory Council for the National Association of School Business Management.

Going Concern

Governors' Report (continued)

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

Key Performance Indicators

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

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

Financial Review

Most of the College's income is obtained from the Department of Education (DfE), via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown as Restricted Funds in the Statement Financial Activities.

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

The balance of the former college's budget share was transferred across on conversion and is shown as Unrestricted Funds.

Transfer upon conversion (including £640,000 opening pension scheme deficit) equals (£518,000).

Total income for the period (excluding amount transferred) equals £7683,000.

Total expenditure for the period equals £7,338,000.

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

Financial and Risk Management Objectives and Policies

Whilst the College is over-subscribed, risks to revenue funding from a falling roll, in the short term, are small. Given the overt success of the College and acknowledged national and local demographic trends, there is no suggestion that the College role will fall in the medium term. However, the reduction in post-16 funding levels, the freeze on the government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in the coming years.

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

At the year end, the College had not significant liabilities arising from trade creditors or debtors where there would be a significant effect on the liquidity.

Governors' Report (continued)

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Governors consider that the College is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Principal Risks and Uncertainties

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

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

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

Fraud and mismanagement of funds – in addition to the work of the auditors the College has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. During the past year the College undertook a detailed Financial Management Governance Evaluation covering a broad range of financial aspects. The overall grade of the College was assessed as “Good” with the majority of areas graded at “Good” or “Outstanding”. This grading was subsequently verified by EFA assessment.

Legal Fees – The College is currently in the process of investigating legal action against the contract and design team/s involved in the construction of the College between 2003 and 2006. The potential cost risk of the legal fees is £30,000.

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

Reserves Policy

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

The Governors acknowledge the pension reserve deficit of £859,000 and will monitor the situation with a view to increasing contributions at a later date in order to reduce the deficit.

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

Investment Policy

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

Plans for Future Periods

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

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

Auditor

In so far as the governors are aware:

St Joseph's Catholic College

Governors' Report (continued)

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

Approved by order of the members of the Governing Body on 7/12/2012 and signed on its behalf by:

A handwritten signature in black ink that reads "Stephen F. Lake". The signature is written in a cursive style.

SF Lake
Chair

Governance Statement

Scope of Responsibility

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

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

Governance

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

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

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

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

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Joseph's Catholic College for the Period Ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Senior staff are trained and updated in risk management regularly.

St Joseph's Catholic College

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

Governance Statement (continued)

The Risk and Control Framework

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

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

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

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

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

Review of Effectiveness

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

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

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

Approved by order of the members of the Governing Body on 7/12/2012.and signed on its behalf by:



S F Lake
Chair



Mrs M A Harries
Accounting Officer

St Joseph's Catholic College

Statement on Regularity, Propriety and Compliance

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

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

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



Mrs M A Harries

Accounting officer

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities and are also directors of St Joseph's Catholic College for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation.

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

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

In so far as the governors are aware:

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

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

Approved by order of the members of the Governing Body on 7/12/2012 and signed on its behalf by:



S F Lake
Chair

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

We have audited the financial statements of St Joseph's Catholic College for the period ended 31 August 2012 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Date: 11th December 2012

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Joseph's Catholic College during the period 1 August 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of St Joseph's Catholic College's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ICAEW TECH 08/12AAF includes a summary of work undertaken

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Monahans Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 11th December 2012

**Statement of Financial Activities for the Period Ended 31 August 2012
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2012 £000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Transfer from local authority on conversion	28	12	(640)	25	(518)
Activities for generating funds	3	216	-	-	216
Investment income	4	-	-	-	-
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	184	7,257	26	7,467
Total incoming resources		497	6,617	51	7,165
Resources expended					
<i>Cost of generating funds:</i>					
Fundraising trading	6	107	-	-	107
<i>Charitable activities:</i>					
Academy's educational operations	7	204	6,925	39	7,168
Governance costs	8	3	60	-	63
Total resources expended	6	314	6,985	39	7,338
Net incoming/(outgoing) resources before transfers		183	(368)	12	(173)
Gross transfers between funds	16	-	(26)	26	-
Net income/(expenditure) for the year		183	(394)	38	(173)
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes	16, 26	-	(224)	-	(224)
Net movement in funds		183	(618)	38	(397)
Reconciliation of funds					
Funds carried forward at 31 August 2012		183	(618)	38	(397)

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

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

St Joseph's Catholic College

Balance sheet as at 31 August 2012

	Notes	2012 £000	2012 £000
Fixed assets			
Tangible assets	12		187
Current assets			
Stock	13	10	
Debtors	14	148	
Cash at bank and in hand		601	
		<hr/>	
		759	
Creditors: Amounts falling due within one year	15	(484)	
		<hr/>	
Net current assets			275
Total assets less current liabilities			<hr/> 462
Net assets excluding pension liability			
Pension scheme liability	26		(859)
			<hr/> (397)
Net assets including pension liability			
Funds of the academy:			
Restricted funds			
Fixed asset fund(s)	16		38
General fund(s)	16		241
Pension reserve	16		(859)
Total restricted funds			<hr/> (580)
Unrestricted funds	16		183
			<hr/> 183
Total funds			<hr/> (397)
			<hr/>

The financial statements on pages 18 to 39 were approved by the Governors, and authorised for issue on 7th December 2012 and are signed on their behalf by:



S F Lake
Chair

Company Limited by Guarantee
Registration Number 07696999

St Joseph's Catholic College

Cash Flow Statement for the Period Ended 31 August 2012

	Notes	2012 £000
Net cash inflow from operating activities	20	602
Returns on investments and servicing of finance	21	-
Capital expenditure and financial investment	22	(111)
Cash transferred on conversion to an academy trust	28	110
(Decrease)/Increase in cash in the year	23	<u>601</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2012		<u>601</u>

Notes to the Financial Statements for the Period Ended 31 August 2012

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction 2011/12 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

- **Donated Services and Gifts in Kind**

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

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

1 Accounting Policies (continued)

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an Academy

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

The assets and liabilities transferred on conversion from St Joseph's Catholic College to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Joseph's Catholic College. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

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

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

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

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

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

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

Assets on transfer have been fully depreciated in the period other than land and buildings, being the Monsignor Richard Twomey Training & Conference centre, which have been valued, at market value, by Hinton Newport, Chartered Surveyors, at £85,000.

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

Leased Assets

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

Stock

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

Taxation

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

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

1 Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

2 General Annual Grant (GAG)

a Results and carry forward for the year

	2012 £000
GAG allocation for current year	7,000
Total GAG available to spend	<u>7,000</u>
Recurrent expenditure from GAG	(6,764)
Fixed assets purchased from GAG	(26)
GAG carried forward to next year	<u>210</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	840
GAG to surrender to DfE	<u>-</u>
(12% rule breached if result is positive)	no breach

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Hire of facilities	121	-	121
Training and consultancy	9	-	9
Catering – non pupils	54	-	54
Other income	32	-	32
	<u>216</u>	<u>-</u>	<u>216</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Bank interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
DfE/YPLA/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	7,000	7,000
Other DfE/YPLA/EFA grants	-	81	81
	<u>-</u>	<u>7,081</u>	<u>7,081</u>
Other revenue grants			
Local authority grants	-	9	9
Special educational projects	-	28	28
Other grants	-	17	17
	<u>-</u>	<u>54</u>	<u>54</u>
Capital grants			
DfE/YPLA/EFA capital grants	-	26	26
	<u>-</u>	<u>26</u>	<u>26</u>
Other incoming resources			
School trips	-	122	122
Catering – pupils	140	-	140
Curriculum income	11	-	11
Other income	33	-	33
	<u>184</u>	<u>122</u>	<u>306</u>
	<u>184</u>	<u>7,283</u>	<u>7,467</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2012 £000
Costs of activities for generating funds Academy's educational operations	-	20	87	107
Direct costs	3,979	-	940	4,919
Allocated support costs	1,499	484	266	2,249
	<u>5,478</u>	<u>484</u>	<u>1,206</u>	<u>7,168</u>
Governance costs	-	-	63	63
	<u>5,478</u>	<u>504</u>	<u>1,356</u>	<u>7,338</u>

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

6 Resources Expended (continued)

	2012 £000
Incoming/outgoing resources for the year include:	
Operating leases	121
Fees payable to auditor	
Audit	6
Other services	3
Depreciation – owned assets	61
	<hr/>

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Direct costs			
Teaching and educational support staff costs	-	3,979	3,979
Educational supplies	24	277	301
Educational trips	-	125	125
Educational technology	-	229	293
Examination fees	-	148	148
Staff development and training	-	29	29
Catering	-	77	77
Other direct costs	-	31	31
	<hr/>	<hr/>	<hr/>
	24	4,895	4,919
Allocation supported costs			
Support staff costs	93	1,406	1,499
Depreciation	-	39	39
Recruitment and support	-	28	28
Maintenance of premises and equipment	-	180	180
Cleaning	-	21	21
Rates	-	68	68
Insurance	-	66	66
Security and transport	-	18	18
Catering	87	-	87
Bank charges	-	7	7
Other support costs	-	236	236
	<hr/>	<hr/>	<hr/>
	180	2,069	2,249
	<hr/>	<hr/>	<hr/>
	204	6,964	7,168

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2012 £000
Legal and professional fees	3	51	54
Auditor's remuneration			
• Audit of financial statements	-	6	6
• Other services	-	3	3
	<u>3</u>	<u>60</u>	<u>63</u>

9 Staff Costs

**2012
£000**

Staff costs during the period were:

Wages and salaries	4,506
Social security costs	312
Pension costs	660
	<u>5,478</u>
Supply teacher costs	-
Compensation payments	-
	<u>5,478</u>

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

	2012 Number	2012 Full-time equivalent
Charitable Activities		
Teachers	68	54
Administration and support	119	87
Management	7	7
	<u>194</u>	<u>148</u>

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

	2012 £000
£60,001 - £70,000	7
£70,001 - £80,000	-
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001 - £110,000	1
	<u>8</u>

6 of the employees participated in the teacher pension scheme. During the period ended 31st August 2012, pension contributions for these staff totalled £56,000. 2 of the above employees participated in local government pension scheme. During the period ended 31st August 2012, pension contributions for these staff totalled £26,000.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

9 Staff Costs (continued)

68 of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £394,000. 65 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £271,000.

10 Governors' Remuneration and Expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments or expenses from the Academy in respect of their role as governors. The value of governors' remuneration (being salary plus employers pension contributions) for the 13 month period, was as follows:

For the 13 month period 1 August 2011 – to 31st August 2012

	Gross Salary	Employers Pension Contributions	Total
M Harries, Principal and Trustee	£95K - £100K	£10K - £15K	£110K - £115K
P Mazzotta, staff governor and trustee	£40K - £45K	£5K - £10K	£45K - £50K
K Gleed, staff governor and trustee	£20K - £25K	-	£20K - £25K

Related party transactions involving the governors are set out in note 27.

11 Governors' and Officers' Insurance

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

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

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost				
Transfer on conversion	85	5	21	111
Additions	-	83	54	137
At 31 August 2012	85	88	75	248
Depreciation				
Charged in year	1	22	38	61
At 31 August 2012	1	22	38	61
Net book values				
At 31 August 2012	84	66	37	187

Included in the cost of freehold land and buildings is land of £28,333 which is not depreciated.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

13 Stock

	2012 £000
Stationery	8
Catering	2
	<u>10</u>

14 Debtors

	2012 £000
Trade debtors	51
Prepayments and accrued income	48
VAT	49
	<u>148</u>

15 Creditors: amounts falling due within one year

	2012 £000
Trade creditors	151
Other taxation and social security	97
Other creditors	155
Accruals and deferred income	81
	<u>484</u>

Deferred income

	2012 £000
Resources deferred in the year	18
Deferred Income at 31 August 2012	<u>18</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips taking place post year end, and funding for the 16-19 Bursary received in advance of the school year 2012-13.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

16 Funds

	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2012 £000
Restricted general funds				
General Annual Grant (GAG)	7,000	(6,764)	(26)	210
Other DfE/YPLA/EFA grants	81	(63)	-	18
Other restricted grants/income	176	(163)	-	13
	<u>7,257</u>	<u>(6,990)</u>	<u>(26)</u>	<u>241</u>
Pension reserve	(640)	5	(224)	(859)
	<u>6,617</u>	<u>(6,985)</u>	<u>(250)</u>	<u>(618)</u>
Restricted fixed asset funds				
DfE/YPLA/EFA capital grants	26	(8)	-	18
Capital expenditure from GAG	-	(6)	26	20
Fixed assets on conversion	25	(25)	-	-
	<u>51</u>	<u>(39)</u>	<u>26</u>	<u>38</u>
Total restricted funds	<u>6,668</u>	<u>(7,024)</u>	<u>(224)</u>	<u>(580)</u>
Unrestricted funds	497	(314)	-	183
Total funds	<u>7,165</u>	<u>(7,338)</u>	<u>(224)</u>	<u>(397)</u>

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

General Annual Grant – the GAG is applied in strict accordance with the terms of the Model Funding Agreement.

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

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

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

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

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

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

The following transfers have been made in the period:

£26,345 transferred from the GAG to Capital expenditure from GAG being the cost of capital additions in the period funded by the GAG.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	149	-	38	187
Current assets	49	710	-	759
Current liabilities	(15)	(469)	-	(484)
Pension scheme liability	-	(859)	-	(859)
Total net assets	183	(618)	38	(397)

18 Capital commitments

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

19 Financial commitments

Operating leases

At 31 August 12 the Academy had annual commitments under non-cancellable operating leases as follows:

	2012 £000
Land and buildings	
Expiring within one year	-
Expiring within two and five years inclusive	-
Expiring in over five years	-
	-
Other	
Expiring within one year	-
Expiring within two and five years inclusive	121
Expiring in over five years	-
	121

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

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

	2012 £000
Net income	(173)
Non cash assets on conversion	529
Cash on conversion (note 28)	(110)
Depreciation (note 12)	61
Capital grants from DfE/YPLA/EFA and other capital income	(26)
Interest receivable (note 4)	-
FRS 17 pension cost less contributions payable (note 26)	(27)
FRS 17 pension finance income (note 26)	22
(Increase)/decrease in stocks	(10)
(Increase)/decrease in debtors	(148)
Increase/(decrease) in creditors	484
Net cash inflow from operating activities	<u>602</u>

21 Returns on investments and servicing of finance

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

22 Capital expenditure and financial investment

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

23 Analysis of changes in net funds

	Cash flows £000	At 31 August 2012 £000
Cash in hand and at bank	<u>601</u>	<u>601</u>
	601	601

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

24 Contingent Liabilities

The Academy is currently pursuing a claim against a number of suppliers for faults found in the academy's sports hall and 6th form floor. The academy estimates that the cost of remedial repairs is £130,000 and legal costs of £30,000 are expected to be incurred. The academy is confident that the claim will be successful and all costs will be recovered.

25 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.

26 Pension and similar obligations

The Academy'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 the Wiltshire Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £74,496 were payable to the schemes at 31 August 2012 and are included within other creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the period ended 31 August 2012 was £350,000, of which employer's contributions totalled £271,000 and employees' contributions totalled £79,000. The agreed contribution rates for future years are 21.4% for employers and 5.5%-7.5% for employees.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal Actuarial Assumptions

**At 31
August
2012**

Rate of increase in salaries	4.5%*
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.1%

* salary increases are assumed to be 1% p.a. until 31 March 2015 reverting to the long term assumption shown thereafter.

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

**At 31
August
2012**

<i>Retiring today</i>	
Males	21.3 years
Females	23.6 years
Retiring in 20 years	
Males	24.9 years
Females	25.5 years

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2012	Fair value at 31 August 2012 £000
Equities	5.5%	1,029
Bonds	3.5%	292
Property	3.7%	169
Cash	2.8%	46
Total market value of assets		1,536
Present value of scheme liabilities		
- Funded		(2,395)
Surplus/(deficit) in the scheme		(859)

The expected return on assets is based on the long-term future expected investment return for each asset class.

The actual return on scheme assets was £76,000.

Amounts recognised in the statement of financial activities

	2012 £000
Current service cost (net of employee contributions)	244
Total operating charge	244
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	87
Interest on pension liabilities	(109)
Pension finance income / (costs)	(22)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £224,000 loss.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2012 £000
Transferred on conversion	1,741
Current service cost	244
Interest cost	109
Employee contributions	79
Actuarial (gain)/loss	160
Benefits paid	62
At 31 August	<u>2,395</u>

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

	2012 £000
Transferred on conversion	1,101
Expected return on assets	87
Actuarial gain/(loss)	(64)
Employer contributions	271
Employee contributions	79
Benefits paid	62
At 31 August	<u>1,536</u>

The estimated value of employer contributions for the year ended 31 August 2012 is £252,000.

Notes to the Financial Statements for the Period Ended 31 August 2012 (continued)

27 Related Party Transactions

None

28 Conversion to an Academy Trust

On 1 August 2011 the school converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Joseph's Catholic College from the Swindon Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets				
Freehold / leasehold land and buildings	85	-	-	85
Other tangible fixed assets	-	-	25	25
Budget surplus / (deficit) on LA funds	(34)	-	-	(34)
Budget surplus / (deficit) on other school funds	46	-	-	46
LGPS pension surplus / (deficit)	-	(640)	-	(640)
Borrowing obligations	-	-	-	-
Other identified assets and liabilities				
Net assets / (liabilities)	97	(640)	25	(518)

The above net assets include £110,000 that were transferred as cash.