

Company Registration No. 08061075 (England and Wales)

**ST JOSEPH'S COLLEGE DELASALLE  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

# ST JOSEPH'S COLLEGE DELASALLE

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# ST JOSEPH'S COLLEGE DELASALLE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Foundation Governors

M Franchetti (Headteacher) (Appointed 8 May 2012) \*  
W Doris (Chair) (Appointed 8 May 2012) \*  
A Walsh (Vice Chair) (Appointed 8 May 2012 and resigned 31 July 2013) \*  
J Garner (Appointed 8 May 2012)  
Bro. L Hughes (Appointed 20 February 2013)  
Bro. B Foy (Appointed 8 May 2012)  
Father A McKenna-Whyte (Appointed 8 May 2012)  
J Jacobs (Appointed 8 May 2012)  
J Thorpe (Appointed 8 May 2012)  
S Shakes (Appointed 20 February 2013)  
P Sweeney (Appointed 8 May 2012)  
P Macchieraldo (Appointed 8 May 2012)  
S Oritis (Appointed 20 February 2013)  
C Badchkam (Appointed 20 May 2013)  
R Sheikh (Appointed 20 February 2013)  
A Pereira (Chair of Audit and Finance Committee) (Appointed 8 May 2012) \*  
I Duffy (Responsible Officer) (Appointed 8 May 2012) \*  
R Gangadeen (Appointed 8 May 2012) \*  
A Nicolotti (Appointed 8 May 2012) \*  
C Stevens (Appointed 8 May 2012 and resigned 31 July 2012)  
S Berry (Appointed 8 May 2012 and resigned 31 July 2012)  
I Remedios (Appointed 8 May 2012 and resigned 31 July 2012)  
W Barton  
M Richardson (Appointed 8 May 2012 and resigned 31 July 2013)

### Parent Governors

S Oritis  
C Badchkam

### Community Governor

P Macchieraldo

### Staff Governors

R Sheikh  
S Shakes  
M Franchetti - Headteacher \*

### Clerk

J Cross

### Associates

S Miller - Deputy Headteacher  
K Dwyer - Deputy Headteacher  
K Menys - Finance Director \*

\* members of the audit and finance committee

### Company Secretary

K Dwyer

# ST JOSEPH'S COLLEGE DELASALLE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Senior management team

- |                |                    |
|----------------|--------------------|
| - M Franchetti | - Headteacher      |
| - K Dwyer      | - Deputy Head      |
| - S Miller     | - Deputy Head      |
| - D Fryer      | - Assistant Head   |
| - R Sanders    | - Assistant Head   |
| - S Fuller     | - Assistant Head   |
| - P Cook       | - Assistant Head   |
| - P Sutton     | - Assistant Head   |
| - K Menys      | - Finance Director |

**Company registration number** 08061075 (England and Wales)

**Registered office** Beulah Hill  
London  
SE19 3HL  
United Kingdom

**Independent auditor** Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

**Bankers** HSBC  
103 Streatham Hill  
London  
SW2 4UE

**Solicitors** Brown Jacobson LLP  
44 Castle Gate  
Nottingham  
NG1 7BJ

# ST JOSEPH'S COLLEGE DELASALLE

## TRUSTEES' REPORT

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period from 08 May 2012 to 31 August 2013.

### **Structure, governance and management**

#### Constitution

The academy trust was incorporated as a company on 08/05/2012 and the predecessor school converted to academy status on 01 June 2012. 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. Joseph's College Delasalle are also the directors of the charitable company for the purposes of company law and they are the governors of the Academy.

The charitable company is known as St. Joseph's College Delasalle.

Details of the trustees who served during the year are included in the Reference and Administrative Details included at the front of these accounts.

#### 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 or within one year if they cease to be a member

#### Principal activities

The principal activity of the company is the operation of a state-funded Academy, St. Joseph's College, providing a state education for students aged 11 to 18.

#### Method of recruitment and appointment or election of Trustees

In accordance with the articles, the trustees of the charitable company are the governors. They are appointed as follows;

- a) 11 foundation governors appointed by the Governors;
- b) two staff governors elected by the staff;
- c) two parent governors elected by parents;
- d) the Principal is an ex-officio governor;
- e) one community governor
- f) two sponsored governors
- g) additional governors may be appointed by the Secretary of State.

In respect of those appointed by the governors, ((a), above) when a vacancy arises, the governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

#### Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors. The College has a Service Level Agreement with the LA to enable support and training throughout the year.

# ST JOSEPH'S COLLEGE DELASALLE

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least three times a year and has three committees;

- People Committee
- Curriculum Committee.
- Finance and Audit Committee

The Finance Committee also fulfils the functions of an Audit Committee

All committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings.

Day to day management of the company is undertaken by the Headteacher, supported by the Leadership Team.

The Headteacher is the Principal Accounting Officer and the Director of Finance is the Principal Finance Officer.

### Risk management

The governors have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare. The governors have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by governors.

The Company is a standalone academy and does not have any relationships with other charities/organisations in the pursuit of charitable activities.

### **Objectives and activities**

#### Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of St. Joseph's College, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

#### Objectives, strategies and activities

The main objectives during the year were;

- to improve the progress made by all students and improve results at GCSE.
- to increase numbers in the sixth form by (actual increase 54)
- to offer a more inclusive curriculum by introducing vocational courses in Sport and Engineering.
- Introduce new technologies to improve teaching and learning.

#### Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit.

# ST JOSEPH'S COLLEGE DELASALLE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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### **Achievements and performance**

The company has enjoyed a successful year. Exam results were very good.

At KS4 64.4% of students attained 5 or more GCSE grades A\* - C, including English and Maths. Overall 82% (2012: 83%) of students attained 5 A\* to C grades and 91% passed the BTEC courses. Results in Mathematics were outstanding with 83% A\* - C grades and 31% A/A\* grades. Progress in English improved with 73% (2012: 63%) of students making 3 or more levels from KS2.

Free school meals students achieved 73% (2012: 78%) 5 A\* to C grades which far exceeds the performance of similar students throughout England every year.

Post 16 courses were very successful with 98.4% pass rate at Advanced level and 100% pass rate at BTEC courses. Mathematics, Biology and Art all achieved outstanding results and appeared in the top 20% of national progress according to ALPS data.

The number of students in the sixth form increased from 160 to 214 a significant increase of 34%. The introduction of a new vocational BTEC Sport course attracted 20 additional students. Increased provision in BTEC Sport and the introduction of Engineering BTEC course in September 2013 will further increase the number of students in the 6th Form and hence increase funding.

To be able to introduce the use of new technologies into the classroom we have, as a first step, developed a WiFi network throughout the campus. Staff have started training on the availability and use of various new devices that can be used to assist learning inside and outside of the classroom.

Solar Panels were installed on the roof of the building in April 2013. It is the largest Solar panel field in the Borough of Croydon. It will make a big impact on energy costs within the college.

57 learning outside the classroom activities took place throughout the year. These included 2 international projects with visits to and from schools in France, Sweden, Italy and Turkey. The 10th summer immersion course to china took place in July and was very successful. The on-going Confucius Classroom project increased the number of Primary schools, where Mandarin teaching is supported by our staff, from 9 to 12.

# ST JOSEPH'S COLLEGE DELASALLE

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

### Key Financial Performance Indicators

#### **Solvency:**

At the end of the accounting period the Current Assets: Current Liabilities ratio is 3:1, this excludes the LGPS deficit of £912,000 currently included in the liabilities total on the balance sheet.

**Income over Expenditure:** the balance remaining at the 31st August is a 3.2% surplus. The surplus was planned (minuted at the first Finance Meeting of the Governing Body in October 2012) to support increased staffing costs in the next financial year due to an increase in our sixth form provision.

#### **Cost Control measures:**

Expenditure on staff and staff related costs against total income was 74.88%. Staffing is stable and has remained steady through the period. Accurate forecasting of staffing requirements gave a clear indication of cost during the budgeting process which was largely maintained.

### Financial Review

At 31st August 2013 the net book value of fixed assets was £99k and details are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The academy's reserves as at 31 August 2013 which are available for spending amounted to £705k, comprising general restricted funds of £183k and an unrestricted balance of £522k.

In common with the majority of other academies and with Local Authorities, the academy's share of the LGPS fund was a deficit of £914k. The pension fund deficit is due to be repaid over the long term, in accordance with advice given by scheme actuaries. Note 15 to the accounts gives further analysis of the funds held at 31 August 2013.

The fixed asset fund represents the net book value of fixed assets already acquired of £99k.

### Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

### Principal risks and uncertainties

The principal financial risk faced by the company is that on-going pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.



# ST JOSEPH'S COLLEGE DELASALLE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2013**

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### Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Governors review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

### Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

### **Plans for future periods**

The principal task facing the company is to maintain and continue to improve excellent educational standards.

More specifically, over the next twelve months we plan to increase BTEC Sport numbers for sixth form students. We plan to implement a significant investment in ICT including the development of a new and improved parent and student portal on our website.

In relation to the premises, in addition to on-going maintenance, we hope to build a new perimeter fence with electronic gates to provide a robust and secure site and ensure visitors are guided to the correct reception area.

### **Funds held as custodian trustee**

There are no funds held by St. Joseph's College on behalf of others.

### **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.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the Board of Trustees on 11/12/2013 and signed on its behalf by:

W. Doris

W Doris  
Chair

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

### Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that St Joseph's College Delasalle 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 Joseph's College Delasalle 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the Period. Attendance during the Period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M Franchetti (Headteacher) (Appointed 8 May 2012)	7	7
W Doris (Chair) (Appointed 8 May 2012)	7	7
A Walsh (Vice Chair) (Appointed 8 May 2012 and resigned 31 July 2013)	5	7
J Garner (Appointed 8 May 2012)	7	7
Bro. L Hughes (Appointed 20 February 2013)	3	5
Bro. B Foy (Appointed 8 May 2012)	7	7
Father A McKenna-Whyte (Appointed 8 May 2012)	5	7
J Jacobs (Appointed 8 May 2012)	7	7
J Thorpe (Appointed 8 May 2012)	7	7
S Shakes (Appointed 20 February 2013)	4	7
P Sweeney (Appointed 8 May 2012)	6	7
P Macchieraldo (Appointed 8 May 2012)	4	7
S Oritis (Appointed 20 February 2013)	5	7
C Badchkam (Appointed 20 May 2013)	3	5
R Sheikh (Appointed 20 February 2013)	5	5
A Pereira (Chair of Audit and Finance Committee) (Appointed 8 May 2012)	6	5
I Duffy (Responsible Officer) (Appointed 8 May 2012)	5	7
R Gangadeen (Appointed 8 May 2012)	7	7
A Nicolotti (Appointed 8 May 2012)	3	7
C Stevens (Appointed 8 May 2012 and resigned 31 July 2012)	0	0
S Berry (Appointed 8 May 2012 and resigned 31 July 2012)	1	1
I Remedios (Appointed 8 May 2012 and resigned 31 July 2012)	1	1
W Barton	1	1
M Richardson (Appointed 8 May 2012 and resigned 31 July 2013)	1	1

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2013

The Finance Committee has taken on the responsibility of the Audit Committee. This committee is called the Finance and Audit Committee and provides the function of an audit committee, it benefits from the Chair being a Chartered Accountant; one other member is an accountant.

Attendance at meetings in the Period was as follows:

<b>The Audit &amp; Finance Committee</b>	<b>Meetings attended</b>	<b>Out of possible</b>
M Franchetti (Headteacher) (Appointed 8 May 2012)	5	6
W Doris (Chair) (Appointed 8 May 2012)	5	6
A Walsh (Vice Chair) (Appointed 8 May 2012 and resigned 31 July 2013)		
A Pereira (Chair of Audit and Finance Committee) (Appointed 8 May 2012)	6	6
I Duffy (Responsible Officer) (Appointed 8 May 2012)	4	6
R Gangadeen (Appointed 8 May 2012)	5	6
A Nicolotti (Appointed 8 May 2012)	3	6

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Joseph's College Delasalle for the period 8 May 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

#### **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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 8 May 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. 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 finance and general purposes 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.

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed a member of the Audit & Finance Committee, who is a business manager for BP with special responsibility for education policy.

He is furnished with quarterly reports undertaken by an independent financial advisor who carries out a rolling programme of checks on:

- Payroll
- Banking reconciliation
- Ordering & invoicing processes
- Petty cash
- Cash flow

These reports are circulated to the GB quarterly any recommendations are reviewed at the next meeting. There have been no findings that have given cause for concern.

### Review of effectiveness

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

- the work of the Responsible Officer;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees <sup>by</sup> W. Doris and signed on its behalf <sup>on</sup> 11/12/2013

W Doris  
Chair

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2013

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As accounting officer of St Joseph's College Delasalle I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy Trust and 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's 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.

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

Approved on 11/12/2013 and signed by:



M Franchetti  
Accounting Officer

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the Trustees are required to:

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

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that grants received from the EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Trustees <sup>by W Doris</sup> ..... and signed on its behalf <sup>on</sup> 11/12/2013

W Doris  
Chair

# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ST JOSEPH'S COLLEGE DELASALLE

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We have audited the accounts of St Joseph's College Delasalle for the Period ended 31 August 2013 set out on pages 17 to 37. 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) and the Academies Accounts Direction 2013 issued by the EFA.

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

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees, who are also the directors of St Joseph's College Delasalle for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial Period for which the accounts are prepared is consistent with the accounts.

# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ST JOSEPH'S COLLEGE DELASALLE

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#### **Matters on which we are required to report by exception**

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

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



**D J Walsh FCCA (Senior Statutory Auditor)**  
for and on behalf of Baxter & Co

**Chartered Certified Accountants**

**Statutory Auditor**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 17 December 2013



# **ST JOSEPH'S COLLEGE DELASALLE**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST JOSEPH'S COLLEGE DELASALLE AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 15 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Joseph's College Delasalle during the period 8 May 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Joseph's College Delasalle 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 College Delasalle 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 College Delasalle and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Joseph's College Delasalle's accounting officer and the reporting auditor**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 8 May 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of academy responses to a regularity questionnaire we provided and consideration of matters arising there from

# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST JOSEPH'S COLLEGE DELASALLE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### 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 8 May 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**D J Walsh FCCA (Senior Statutory Auditor)**  
for and on behalf of Baxter & Co

### Chartered Certified Accountants

#### Statutory Auditor

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 17 December 2013

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2013 £'000
<b><u>Incoming resources</u></b>					
<i>Resources from generated funds</i>					
- Voluntary income	2	16	244	-	260
- Inherited on conversion	21	598	(554)	-	44
- Activities for generating funds	3	132	-	-	132
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	-	7,249	48	7,297
<b>Total incoming resources</b>		<u>746</u>	<u>6,939</u>	<u>48</u>	<u>7,733</u>
<b><u>Resources expended</u></b>					
<i>Costs of generating funds</i>					
- Relating to voluntary income	5	-	203	-	203
<i>Charitable activities</i>					
- Educational operations	6	171	7,342	38	7,551
Governance costs	7	-	14	-	14
<b>Total resources expended</b>	5	<u>171</u>	<u>7,559</u>	<u>38</u>	<u>7,768</u>
<b>Net incoming/(outgoing) resources before transfers</b>		575	(620)	10	(35)
Gross transfers between funds		(53)	(36)	89	-
<b>Net income/(expenditure) for the Period</b>		522	(656)	99	(35)
<b><u>Other recognised gains and losses</u></b>					
Actuarial gains/(losses) on defined benefit pension scheme	15	-	(75)	-	(75)
<b>Net movement in funds</b>		522	(731)	99	(110)
Fund balances at 8 May 2012		-	-	-	-
<b>Fund balances at 31 August 2013</b>		<u>522</u>	<u>(731)</u>	<u>99</u>	<u>(110)</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# ST JOSEPH'S COLLEGE DELASALLE

## BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013	
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	10		99
<b>Current assets</b>			
Debtors	11	62	
Cash at bank and in hand		801	
		<u>863</u>	
Creditors: amounts falling due within one year	12	(158)	
			<u>705</u>
<b>Net current assets</b>			<u>804</u>
<b>Total assets less current liabilities</b>			<u>(914)</u>
Defined benefit pension liability	15		
			<u>(110)</u>
<b>Net assets</b>			<u><u>(110)</u></u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted income funds</b>	13		
- Fixed asset funds			99
- General funds			183
- Pension reserve			(914)
			<u>(632)</u>
<b>Total restricted funds</b>			<u>522</u>
<b>Unrestricted funds</b>	13		
			<u>(110)</u>
<b>Total funds</b>			<u><u>(110)</u></u>

The accounts were approved by order of the Board of Trustees and authorised for issue on 11<sup>th</sup> December 2013

W. Doris  
W Doris  
Chair

Company Number 08061075

# ST JOSEPH'S COLLEGE DELASALLE

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

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	Notes	31 August 2013 £'000
Net cash inflow/(outflow) from operating activities	16	890
<b>Capital expenditure and financial investments</b>		
Capital grants received		48
Payments to acquire tangible fixed assets		<u>(137)</u>
<b>Net cash flow from capital activities</b>		<u>(89)</u>
<b>Increase/(decrease) in cash</b>	17	<u><u>801</u></u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts 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 Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

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

#### 1.3 Incoming resources

All incoming resources are recognised when the Academy Trust 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.

General Annual Grant is recognised in full in the Period for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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.

#### 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 Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

#### 1.4 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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Accounting policies

(Continued)

#### 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 Trust's educational operations.

#### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 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 Trust's depreciation policy.

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

Computer equipment	33.33% Straight Line
Fixtures, fittings & equipment	10% - 20% Straight Line
Motor vehicles	20% Straight Line

The Land and Buildings occupied by the Academy are not valued as they are not owned or occupied under a long term lease.

#### Other Fixed Assets

Other Fixed Assets transferred from the predecessor school are also included at depreciated replacement cost (subject to capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities.

### 1.6 Leasing and hire purchase commitments

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

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

(Continued)

### 1 Accounting policies

#### 1.7 Taxation

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

#### 1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 15, the TPS is a multi-employer scheme and the Academy Trust 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 are recognised as they are paid each Period.

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 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.

#### 1.9 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 Education Funding Agency/Department for Education/other funders where the asset acquired or created is held for a specific purpose.

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



# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
School Fund Income	-	188	188
Other donations	16	56	72
	<u>16</u>	<u>244</u>	<u>260</u>

### 3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
Hire of facilities	132	-	132
	<u>132</u>	<u>-</u>	<u>132</u>

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	6,873	6,873
Capital grants	-	48	48
Other DfE / EFA grants	-	213	213
	<u>-</u>	<u>7,134</u>	<u>7,134</u>
<b>Other government grants</b>			
Local authority grants	-	77	77
Other grants	-	16	16
	<u>-</u>	<u>93</u>	<u>93</u>
<b>Other funds</b>			
Other incoming resources	-	70	70
	<u>-</u>	<u>70</u>	<u>70</u>
<b>Total funding</b>	<u>-</u>	<u>7,297</u>	<u>7,297</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

5 Resources expended	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2013 £'000
<b>Academy's educational operations</b>				
- Direct costs	5,248	31	776	6,055
- Allocated support costs	493	381	622	1,496
	<u>5,741</u>	<u>412</u>	<u>1,398</u>	<u>7,551</u>
<b>Other expenditure</b>				
Costs of generating voluntary income	-	-	203	203
Governance costs	-	-	14	14
	<u>-</u>	<u>-</u>	<u>217</u>	<u>217</u>
<b>Total expenditure</b>	<u>5,741</u>	<u>412</u>	<u>1,615</u>	<u>7,768</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2013 £'000</b>
Operating leases				39
Fees payable to auditor				7
- Audit				5
- Other services				<u>2</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 6 Charitable activities - the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
<b>Direct costs</b>			
Teaching and educational support staff costs	23	5,225	5,248
Depreciation	-	31	31
Technology costs	11	190	201
Educational supplies and services	3	323	326
Examination fees	-	123	123
Staff development	-	35	35
Educational consultancy	2	88	90
Other direct costs	-	1	1
	<u>39</u>	<u>6,016</u>	<u>6,055</u>
<b>Allocated support costs</b>			
Support staff costs	19	474	493
Depreciation	-	7	7
Recruitment and support	-	1	1
Maintenance of premises and equipment	88	286	374
Cleaning	-	161	161
Energy costs	16	151	167
Rent and rates	-	112	112
Insurance	-	21	21
Catering	-	77	77
Interest and finance costs	-	44	44
Other support costs	9	30	39
	<u>132</u>	<u>1,364</u>	<u>1,496</u>
<b>Total costs</b>	<u>171</u>	<u>7,380</u>	<u>7,551</u>

### 7 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000
Auditor's remuneration			
- Audit of financial statements	-	7	7
- Other non audit costs	-	5	5
Other governance costs	-	2	2
	<u>-</u>	<u>14</u>	<u>14</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 8 Staff costs

The average number of persons (including senior management team) employed by the Academy Trust during the Period expressed as full time equivalents was as follows:

	2013 Number
Teachers	66
Administration and support	30
Management	8
	<u>104</u>

#### Costs included within the accounts:

	2013 £'000
Wages and salaries	4,577
Social security costs	379
Other pension costs	610
	<u>5,566</u>
Supply teacher costs	158
Compensation payments	17
	<u>175</u>
Total staff costs	<u><u>5,741</u></u>

The number of employees whose annual remuneration was £60,000 or more was:

	2013 Number
£ 80,001 - £ 90,000	1
£100,001 - £110,000	1
£110,001 - £120,000	1
	<u><u>3</u></u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2013
Teachers' Pension Scheme	Numbers	3
	£'000	27
Local Government Pension Scheme	Numbers	-
	£'000	-
		<u><u>3</u></u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 9 Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the Period, travel and subsistence payments totalling £3,366 were reimbursed to 4 Trustees.

The value of Trustees' remuneration was as follows:

Mr M V Franchetti (Headteacher )	£110,001 - £115,000
Mrs S Shakes (Staff Governor)	£50,001 - £55,000
Mr R Sheik (Staff Governor)	£10,001 - £15,000
Mrs J Thorpe (Staff Governor)	£5,001 - £10,000

Other related party transactions involving the Trustees are set out within the related parties note.

### Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the Period ended 31 August 2013 was £1,410.

### 10 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 8 May 2012	-	-	-
Additions	62	75	137
At 31 August 2013	62	75	137
<b>Depreciation</b>			
At 8 May 2012	-	-	-
Charge for the Period	26	12	38
At 31 August 2013	26	12	38
<b>Net book value</b>			
At 31 August 2013	36	63	99

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

						2013
						£'000
11	Debtors					
	Other debtors					26
	Prepayments and accrued income					36
						<u>62</u>
						<u>62</u>
12	Creditors: amounts falling due within one year					2013
						£'000
	Taxes and social security costs					92
	Accruals					66
						<u>158</u>
						<u>158</u>
13	Funds					
		Balance at 8	Incoming	Resources	Gains, losses	Balance at 31
		May 2012	resources	expended and transfers		August 2013
		£'000	£'000	£'000	£'000	£'000
	<b>Restricted general funds</b>					
	General Annual Grant	-	6,873	(6,815)	(51)	7
	Other DfE / EFA grants	-	213	(213)	-	-
	Other government grants	-	93	(93)	-	-
	Other restricted funds	-	632	(471)	15	176
		<u>-</u>	<u>7,811</u>	<u>(7,592)</u>	<u>(36)</u>	<u>183</u>
	Funds excluding pensions	-	(872)	33	(75)	(914)
	Pension reserve	-				
		<u>-</u>	<u>6,939</u>	<u>(7,559)</u>	<u>(111)</u>	<u>(731)</u>
		<u>-</u>	<u>6,939</u>	<u>(7,559)</u>	<u>(111)</u>	<u>(731)</u>
	<b>Restricted fixed asset funds</b>					
	DfE / EFA capital grants	-	48	(5)	(9)	34
	Capital expenditure from GAG or other funds	-	-	(33)	98	65
		<u>-</u>	<u>48</u>	<u>(38)</u>	<u>89</u>	<u>99</u>
		<u>-</u>	<u>48</u>	<u>(38)</u>	<u>89</u>	<u>99</u>
	<b>Total restricted funds</b>	<u>-</u>	<u>6,987</u>	<u>(7,597)</u>	<u>(22)</u>	<u>(632)</u>
		<u>-</u>	<u>6,987</u>	<u>(7,597)</u>	<u>(22)</u>	<u>(632)</u>
	<b>Unrestricted funds</b>					
	General funds	-	746	(171)	(53)	522
		<u>-</u>	<u>746</u>	<u>(171)</u>	<u>(53)</u>	<u>522</u>
	<b>Total funds</b>	<u>-</u>	<u>7,733</u>	<u>(7,768)</u>	<u>(75)</u>	<u>(110)</u>
		<u>-</u>	<u>7,733</u>	<u>(7,768)</u>	<u>(75)</u>	<u>(110)</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 13 Funds

(Continued)

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

### 14 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
<b>Fund balances at 31 August 2013 are represented by:</b>				
Tangible fixed assets	-	-	99	99
Current assets	522	341	-	863
Creditors: amounts falling due within one year	-	(158)	-	(158)
Defined benefit pension liability	-	(914)	-	(914)
	<u>522</u>	<u>(731)</u>	<u>99</u>	<u>(110)</u>

### 15 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Croydon. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

##### Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ('SCR') was 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 review, 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.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.



# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

#### Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100 percent basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 33.6% for employers and a range between 5.5% and 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £167,000.

The employer's contribution rate of 33.6% includes additional contributions of 17.8% spread over a 15 year period, so as to eliminate the pension fund deficit.

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.

	2013 £'000
Employer's contributions	187
Employees' contributions	37
Total contributions	<u>224</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

#### Principal actuarial assumptions

	2013 %
Rate of increase in salaries	4.60
Rate of increase for pensions in payment	2.80
Discount rate for scheme liabilities	4.60
Expected return on assets	5.90

#### Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows;

If the real discount rate were to decrease by 0.5%, the approximate increase to the Employer liability would be 11% (£129k).

If the member life expectancy were to increase by 1 year, the approximate increase to the Employer liability would be 3% (£36k).

If the salary increase rate were to increase by 0.5%, the approximate increase to the Employer liability would be 5% (£54k).

If the pension increase rate were to increase by 0.5%, the approximate increase to the Employer liability would be 6% (£73k).

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

	2013 Years
Retiring today	
- Males	23
- Females	26
Retiring in 20 years	
- Males	25
- Females	28

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

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

	2013 Expected return %	2013 Fair value £'000
Equities	6.80	174
Bonds	4.40	78
Property	4.70	14
Other assets	3.60	14
	<u>        </u>	<u>        </u>
Total market value of assets		280
Present value of scheme liabilities - funded		(1,194)
		<u>        </u>
Net pension asset / (liability)		<u>(914)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The expected return on assets is taken from the actuary's proprietary asset model (HRAM), an economic scenario generator which uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables.

### Operating costs and income recognised in the statement of financial activities

	2013 £'000
<b>Financial expenditure/(income)</b>	
Expected return on pension scheme assets	(9)
Interest on pension liabilities	53
	<u>        </u>
	44
	<u>        </u>
<b>Other expenditure/(income)</b>	
Current service cost	110
Past service cost	-
	<u>        </u>
	110
	<u>        </u>
<b>Total operating charge/(income)</b>	<u>154</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2013 £'000
Actuarial (gains)/losses on assets: actual return less expected	(17)
Experience (gains)/losses on liabilities	92
(Gains)/losses arising from changes in assumptions	-
	<u>75</u>
Total (gains)/losses	<u>75</u>
	<u>75</u>
Cumulative (gains)/losses to date	<u>75</u>

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

	2013 £'000
Obligations acquired on conversion	(902)
Current service cost	(110)
Interest cost	(53)
Contributions by employees	(37)
Actuarial gains/(losses)	(92)
	<u>(1,194)</u>

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

	2013 £'000
Expected return on assets	9
Actuarial gains/(losses)	17
Contributions by employers	187
Contributions by employees	37
Curtailments and settlements	30
	<u>280</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 15 Pensions and similar obligations (Continued)

#### History of experience gains and losses:

	2013 £'000
Present value of defined benefit obligations	(1,194)
Fair value of share of scheme assets	280
	(914)
	(914)
Experience adjustment on scheme liabilities	(92)
Experience adjustment on scheme assets	17
	(75)
	(75)

### 16 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £'000
Net income	(35)
Capital grants and similar income	(48)
Net deficit/(surplus) transferred on conversion	(44)
Net current assets other than cash transferred on conversion	916
FRS17 pension costs less contributions payable	(77)
FRS17 pension finance income	44
Depreciation of tangible fixed assets	38
(Increase)/decrease in debtors	(62)
Increase/(decrease) in creditors	158
	890
	890

### 17 Reconciliation of net cash flow to movement in net funds

	2013 £'000
Increase/(decrease) in cash	801
Net funds at 8 May 2012	-
	801
	801

### 18 Analysis of net funds

	At 8 May 2012 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2013 £'000
Cash at bank and in hand	-	801	-	801
	-	801	-	801
	-	801	-	801

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

### 19 Commitments under operating leases

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

	2013 £'000
Expiry date:	
- Within one year	23
- Between two and five years	15
- In over five years	1
	<u>39</u>

### 20 Related parties

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 Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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

### 21 Conversion to an academy

On 1 June 2012 the St Joseph's College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Joseph's College Delasalle from the London Borough of Croydon 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 incoming resources 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 statement of financial activities.

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2013 £'000
Surplus/(deficit) on LA budget funds	364	-	-	364
School fund & Governors fund	234	191	-	425
LGPS pension surplus/(deficit)	-	(872)	-	(872)
Other funds	-	127	-	127
	<u>598</u>	<u>(554)</u>	<u>-</u>	<u>44</u>
Net assets transferred	<u>598</u>	<u>(554)</u>	<u>-</u>	<u>44</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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**21 Conversion to an academy**

(Continued)

Net assets transferred include the following:

£'000

Cash

789

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**22 Members' liability**

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