

Company Registration No. 08061075 (England and Wales)

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

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

# ST JOSEPH'S COLLEGE DELASALLE

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# ST JOSEPH'S COLLEGE DELASALLE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

M Franchetti (Headteacher and Accounting Officer) \*  
W Doris (Chair of Governing Body to 31 August 2014) \*  
J Garner  
Bro. L Hughes  
Bro. B Foy #  
Father A McKenna-Whyte  
J Jacobs  
J Thorpe  
S Shakes (Resigned 1 March 2014)  
P Sweeney (Chair of Governing Body)  
P Macchieraldo  
S Oritis  
C Badchkam  
R Sheikh  
A Pereira (Chair of Finance and Audit Committee to 31 August 2014) \*  
I Duffy (Responsible Officer) \*  
R Gangadeen \*  
A Nicolotti \*  
P Ventress (Chair of Finance and Audit Committee from 1 September 2014) (Appointed 1 September 2013) \*

\* members of the Finance and Audit Committee  
Trustee of the Brothers of the Christian Schools (DeLaSalle)

### Members

W Doris  
I Duffy  
G Hughes  
J Kilty (resigned August 2014)  
A Walsh (resigned July 2013)  
P Ventress (appointed September 2013)  
Bro. J Deeney (appointed September 2014)

### Senior management team

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

### Company Secretary

K Dwyer

### Company registration number

08061075 (England and Wales)

# ST JOSEPH'S COLLEGE DELASALLE

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Registered office</b>	Beulah Hill London SE19 3HL United Kingdom
<b>Independent auditor</b>	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
<b>Bankers</b>	HSBC 103 Streatham Hill London SW2 4UE

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2014

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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. It has a pupil capacity of 900 11-16 and 250 16-19 year olds. The school had a roll of 1149 in the January 2014 school census.

#### **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 Governors of St. Joseph's College Delasalle Trust are also the directors of the charitable company for the purposes of company law.

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

Details of the Governors 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.

##### Governors' indemnities

There have been no indemnities provided to the Governors or Directors of this College, other than insurance, against liability to a third party.

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

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

- up to twelve foundation Governors appointed by the Governors;
- up to two staff Governors elected by the staff;
- two parent Governors elected by parents;
- the Principal is an ex-officio Governor;
- one community governor
- one additional sponsored Governors
- 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 Governors

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

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.

### Connected organisations including related party relationships

There were no Connected or Related Party relationships.

### **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:

- Improve the progress made by all students and improve results at GCSE.
- Further increase numbers in the Sixth Form
- Offer a more inclusive curriculum by continuing 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

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### Strategic report

#### Achievements and performance

The company has enjoyed a successful year.

Exam results were very good considering the changes made to the English and Maths specifications and the reduction in pass grades nationally.

At KS4 64.1% of students attained 5 or more GCSE grades A\* - C, including English and Maths. Overall 72% of students attained 5 A\* to C grades and 92% (91% 2013) passed the BTEC level 2 courses. Results in Mathematics were outstanding with 82% A\* - C grades with 27% of students achieving A/A\* grades. 72% of students, in English 72% and 75% in Maths, made 3 or more levels of progress from KS2.

Free school meals students achieved 63% 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% pass rate at Advanced level and 97% pass rate at BTEC courses. Mathematics, Biology and Chemistry all achieved outstanding results and appeared in the top 20% of national progress according to ALPS data. AS results increased dramatically from previous years to 89%.

The number of students in the sixth form continues to increase building on the 34% increase in 2012/13. Numbers increased another 27% from 214 to 272. This was due to the introduction of the vocational BTEC Sport and Engineering courses at level 3 attracted 53 additional students and hence increase funding.

3 new classrooms have been developed within the existing buildings to cope with the increase in numbers of students in the 6th Form. The new rooms had to be self-financed as a bid for a new teaching block was rejected by the EFA.

41 learning outside the classroom activities took place throughout the year. These included international projects with visits to and from schools in France and Turkey. Visits to France and Spain along with the 11th summer immersion course to China took place and were very successful.

A group of students went to Ghana with Ms Shakes, in July. They helped build the new classroom block that is being paid for by the College community. The College provided over £20,000, collected from charitable events in the last 12 months, to complete the project, which includes 2 large classrooms, toilets and office facilities.

### Ofsted

The school is working hard to ensure the changes recommended by HMI, following our Ofsted inspection in February, are being met.

### Solvency:

At the end of the accounting period the Current Assets: Current Liabilities ratio is 4.6:1 this excludes the LGPS deficit of £1,058 separately included on the balance sheet.

### Income over Expenditure:

The general restricted funds increased by £1k in the year and general unrestricted funds decreased by £47k.

### Cost Control measures:

Expenditure on staff and staff related costs against total revenue income was 75.87%. Expenditure on staffing has increased due to the introduction of new courses. The Directors are aware of the increasing staff related costs and are developing an action plan to reduce these over the next two years. The successful outcome will be a staffing profile that can be met from grant income.

### 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.

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Financial review**

At 31st August 2014 the net book value of fixed assets was £118k 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 2014 which are available for spending amounted to £659k comprising general restricted funds of £193k and an unrestricted balance of £466k.

In common with the majority of other academies and with Local Authorities, the academy's share of the LGPS fund was a deficit of £(1,058k). 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 details of the pension fund as at 31 August 2014.

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

### **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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

### 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.

No official reserves policy exists. The average annual amount generated by the school is 143K and is used to balance/augment the budget and provide additional learning resources for students. Private funds, generated through lettings, maintains an average balance of 300K, these are unrestricted funds. 50% of these funds are used to maintain the building, contribute towards energy costs and ongoing ICT infrastructure. The remaining balance is held in reserve to match the funds generated annually through educational activities. The ratio of general restricted reserves to annual operating restricted fund expenditure in this accounting period was 2.9%.

A School Fund is maintained consisting of donations from parents and is solely used to provide additional resources for students.

### Investment policy and powers

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

### Principal risks and uncertainties

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.

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# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.

### **Plans for future periods**

The main objectives for the coming year are:

- Improve safeguarding processes through education of staff and replace security fences.
- Increase GCSE exam success rate for all students and specifically the Black Caribbean ethnic group
- Develop marketing activities to increase applications for student intake at year 7 and year 12.
- Submit bid for new teaching block of 8 classrooms

### **Funds held as custodian trustee on behalf of others**

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

### **Auditor**

Insofar as the Governors are aware:

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

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 01 December 2014 and signed on the Board's behalf by:



P Sweeney  
**Chair of Governing Body**

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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### 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 Governors has delegated the day-to-day responsibility to the Head teacher, 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 Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 8 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
M Franchetti (Headteacher and Accounting Officer)	8	8
W Doris (Chair of Governing Body to 31 August 2014)	8	8
J Garner	8	8
Bro. L Hughes	1	8
Bro. B Foy	7	8
Father A McKenna-Whyte	7	8
J Jacobs	7	8
J Thorpe	5	8
S Shakes (Resigned 1 March 2014)	3	6
P Sweeney (Chair of Governing Body)	8	8
P Macchieraldo	5	8
S Oritis	8	8
C Badchkam	2	8
R Sheikh	2	8
A Pereira (Chair of Finance and Audit Committee to 31 August 2014)	5	8
I Duffy (Responsible Officer)	8	8
R Gangadeen	6	8
A Nicolotti	3	8
P Ventress (Chair of Finance and Audit Committee from 1 September 2014) (Appointed 1 September 2013)	2	6

There have been no significant changes to the composition of the board of Governors.

### Governance reviews:

Governors complete a self-evaluation form annually to indicate the level of expertise they bring to the College.

Governors on the Finance & Audit Committee are invited to complete a Financial Competencies matrix to identify specific finance management skills and areas for support/ training.

The evaluation is carried out at the first GB meeting each year and if there is a change of key role.

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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.

The Finance & Audit committee has been very active in addressing issues concerning future funding streams from all sources. Reduction in expenditure has been a key topic with particular regard to our staffing profile, evidenced in a five year forecast. The staffing structure and headcount needs to be addressed to ensure the staffing ratio does not exceed 80% of grant income.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
M Franchetti (Headteacher and Accounting Officer)	4	4
W Doris (Chair of Governing Body to 31 August 2014)	4	4
A Pereira (Chair of Finance and Audit Committee to 31 August 2014)	3	4
I Duffy (Responsible Officer)	4	4
R Gangadeen	2	4
A Nicolotti	1	4
P Ventress (Chair of Finance and Audit Committee from 1 September 2014) (Appointed 1 September 2013)	0	3

#### 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 01 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

#### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

# ST JOSEPH'S COLLEGE DELASALLE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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

- Payroll - reconciliation and employee's salary details
- Banking reconciliation
- Ordering & invoicing processes
- Petty cash
- Cash flow
- Budget monitoring

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.

The independent Responsible Officer completed a planned schedule of work, outlined above, by testing current control procedures and evidencing specific transactions. All areas tested are summarized in a report disseminated to the Governing Body via the Audit Committee RO. There were no material control issues arising as a result of the reviews during this accounting period.

### **Review of effectiveness**

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

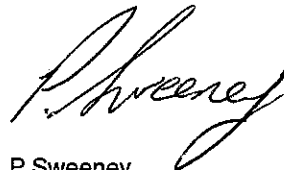
- the work of the Responsible Officer
- the work of the External Auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 members of the Board of Governors on 01 December 2014 and signed on its behalf by:



**M Franchetti  
Headteacher and  
Accounting Officer**



**P Sweeney  
Chair of Governing Body**

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

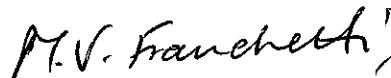
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As accounting officer of St Joseph's College Delasalle I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 Governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Approved on 01 December 2014 and signed by:



M Franchetti  
**Accounting Officer**

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors (who act as trustees 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 Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

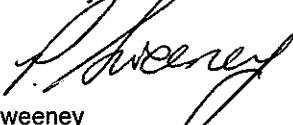
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the Board of Governors on 01 December 2014 and signed on its behalf by:

  
P Sweeney  
Chair of Governing Body

# 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 year ended 31 August 2014 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 2014 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 Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors, 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 Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

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

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

# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

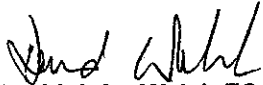
### TO THE MEMBERS OF ST JOSEPH'S COLLEGE DELASALLE

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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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**David John Walsh FCCA (Senior Statutory Auditor)**

**Baxter & Co**

**Chartered Certified Accountants**

**Statutory Auditor**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 9 December 2014



# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT REPORTING ACCOUNTANT'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 2014, 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 1 September 2013 to 31 August 2014 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 accountant**

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 2013, 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 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2014 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 the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the work of the Responsible Officer

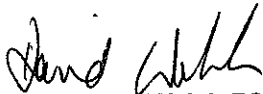
# ST JOSEPH'S COLLEGE DELASALLE

## INDEPENDENT REPORTING ACCOUNTANT'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 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David John Walsh FCCA  
For and on behalf of Baxter & Co  
Reporting Accountant  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 09 December 2014

# ST JOSEPH'S COLLEGE DELASALLE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2014 £'000	Total 2013 15 Mths £'000
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	53	118	-	171	260
- Inherited on conversion		-	-	-	-	44
- Activities for generating funds	3	131	-	-	131	132
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	6,156	37	6,193	7,297
<b>Total incoming resources</b>		<u>184</u>	<u>6,274</u>	<u>37</u>	<u>6,495</u>	<u>7,733</u>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	5	-	94	-	94	203
<i>Charitable activities</i>						
- Educational operations	6	81	6,288	55	6,424	7,551
Governance costs	7	-	18	-	18	14
<b>Total resources expended</b>	5	<u>81</u>	<u>6,400</u>	<u>55</u>	<u>6,536</u>	<u>7,768</u>
<b>Net incoming/(outgoing) resources before transfers</b>		103	(126)	(18)	(41)	(35)
Gross transfers between funds		(159)	121	38	-	-
<b>Net income/(expenditure) for the year</b>		<u>(56)</u>	<u>(5)</u>	<u>20</u>	<u>(41)</u>	<u>(35)</u>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	15	-	(129)	-	(129)	(75)
<b>Net movement in funds</b>		<u>(56)</u>	<u>(134)</u>	<u>20</u>	<u>(170)</u>	<u>(110)</u>
Fund balances at 1 September 2013		522	(731)	99	(110)	-
<b>Fund balances at 31 August 2014</b>		<u>466</u>	<u>(865)</u>	<u>119</u>	<u>(280)</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 two financial periods above.

# ST JOSEPH'S COLLEGE DELASALLE

## BALANCE SHEET

AS AT 31 AUGUST 2014

		2014		2013	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		118		99
<b>Current assets</b>					
Debtors	11	133		62	
Cash at bank and in hand		712		801	
		<u>845</u>		<u>863</u>	
Creditors: amounts falling due within one year	12	(185)		(158)	
<b>Net current assets</b>			660		705
<b>Total assets less current liabilities</b>			778		804
Defined benefit pension liability	15		(1,058)		(914)
<b>Net assets</b>			<u>(280)</u>		<u>(110)</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted income funds</b>	13				
- Fixed asset funds			119		99
- General funds			193		183
- Pension reserve			(1,058)		(914)
<b>Total restricted funds</b>			<u>(746)</u>		<u>(632)</u>
<b>Unrestricted funds</b>	13		466		522
<b>Total funds</b>			<u>(280)</u>		<u>(110)</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 01 December 2014.

  
P Sweeney  
Chair of Governing Body

Company Number 08061075

# ST JOSEPH'S COLLEGE DELASALLE

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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		2014	2013
	Notes	£'000	15 Mths £'000
Net cash inflow/(outflow) from operating activities	16	(51)	890
<b>Capital expenditure and financial investments</b>			
Capital grants received		37	48
Payments to acquire tangible fixed assets		(75)	(137)
<b>Net cash flow from capital activities</b>		<u>(38)</u>	<u>(89)</u>
<b>Increase/(decrease) in cash</b>	17	<u><u>(89)</u></u>	<u><u>801</u></u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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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 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 company 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 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 year 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 YEAR ENDED 31 AUGUST 2014

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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 Governors' 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 per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 on a straight-line basis over its expected useful life, as follows:

Computer equipment	33.33% Straight Line
Fixtures, fittings & equipment	10% - 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).

### 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.

### 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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### 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 year.

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 Governors.

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

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

### 2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
School Fund Income	-	116	116	188
Other donations	53	2	55	72
	<u>53</u>	<u>118</u>	<u>171</u>	<u>260</u>



# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Hire of facilities	131	-	131	132

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

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	5,687	5,687	6,873
Capital grants	-	37	37	48
Other DfE / EFA grants	-	294	294	213
	-	6,018	6,018	7,134
<b>Other government grants</b>				
Local authority grants	-	95	95	77
Other grants	-	-	-	16
	-	95	95	93
<b>Other funds</b>				
Other incoming resources	-	80	80	70
<b>Total funding</b>	-	6,193	6,193	7,297

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 5 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,384	44	715	5,143	5,924
- Allocated support costs	517	227	537	1,281	1,627
	<u>4,901</u>	<u>271</u>	<u>1,252</u>	<u>6,424</u>	<u>7,551</u>
<b>Other expenditure</b>					
Costs of generating voluntary income	-	-	94	94	203
Governance costs	-	-	18	18	14
	<u>-</u>	<u>-</u>	<u>112</u>	<u>112</u>	<u>217</u>
<b>Total expenditure</b>	<u>4,901</u>	<u>271</u>	<u>1,364</u>	<u>6,536</u>	<u>7,768</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2014 £'000</b>	<b>2013 £'000</b>
Operating leases					
- Plant and machinery				18	39
Fees payable to auditor					
- Audit				7	7
- Other services				8	5
				<u>33</u>	<u>51</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,384	4,384	5,117
Depreciation	-	44	44	31
Technology costs	-	51	51	201
Educational supplies and services	8	454	462	326
Examination fees	-	125	125	123
Staff development	9	14	23	35
Educational consultancy	-	54	54	90
Other direct costs	-	-	-	1
	<u>17</u>	<u>5,126</u>	<u>5,143</u>	<u>5,924</u>
<b>Allocated support costs</b>				
Support staff costs	10	507	517	624
Depreciation	-	11	11	7
Recruitment and support	-	-	-	1
Maintenance of premises and equipment	1	215	216	374
Cleaning	-	144	144	161
Energy costs	39	88	127	167
Rent and rates	-	75	75	112
Insurance	-	47	47	21
Catering	14	59	73	77
Interest and finance costs	-	37	37	44
Other support costs	-	34	34	39
	<u>64</u>	<u>1,217</u>	<u>1,281</u>	<u>1,627</u>
<b>Total costs</b>	<u>81</u>	<u>6,343</u>	<u>6,424</u>	<u>7,551</u>

### 7 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Auditor's remuneration				
- Audit of financial statements	-	7	7	7
- Other non-audit costs	-	8	8	5
Other governance costs	-	3	3	2
	<u>-</u>	<u>18</u>	<u>18</u>	<u>14</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 8 Staff costs

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

	2014 Number	2013 Number
Teachers	69	66
Administration and support	32	30
Management	9	8
	<u>110</u>	<u>104</u>

#### Costs included within the accounts:

	2014 £'000	2013 £'000
Wages and salaries	3,853	4,577
Social security costs	319	379
Other pension costs	563	610
	<u>4,735</u>	<u>5,566</u>
Supply staff costs	166	158
Staff restructuring costs	-	17
	<u>4,901</u>	<u>5,741</u>

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

	2014 Number	2013 Number
£60,000 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
	<u>4</u>	<u>4</u>

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

		2014	2013
Teachers' Pension Scheme	Numbers	4	3
	£'000	43	27
		<u>47</u>	<u>30</u>
Local Government Pension Scheme	Numbers	-	-
	£'000	-	-
		<u>-</u>	<u>-</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 9 Governors' remuneration and expenses

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £1,245 (2013: £3,366) were reimbursed to 3 Governors (2013: 4 Governors).

The value of Governors' remuneration was as follows for the year (2013 was a 15 month period):

Mr M V Franchetti (Headteacher)	£95,000 - £100,000 (2013: £110,000 - £115,000)
Mrs S Shakes (Staff Governor)	£40,000 - £45,000 (2013: £50,000 - £55,000)
Mr R Sheikh (Staff Governor)	£10,000 - £15,000 (2013: £10,000 - £15,000)
Mrs J Thorpe (Staff Governor)	£5,000 - £10,000 (2013: £5,000 - £10,000)
Ms C Badchkam (Staff & Parent Governor)	£0 - £5,000 (2013: not appointed)

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

#### Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,272 (2013: £1,410).

#### 10 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 September 2013	62	75	137
Additions	75	-	75
	<u>137</u>	<u>75</u>	<u>212</u>
At 31 August 2014	137	75	212
	<u>137</u>	<u>75</u>	<u>212</u>
<b>Depreciation</b>			
At 1 September 2013	26	12	38
Charge for the year	46	10	56
	<u>72</u>	<u>22</u>	<u>94</u>
At 31 August 2014	72	22	94
	<u>72</u>	<u>22</u>	<u>94</u>
<b>Net book value</b>			
At 31 August 2014	65	53	118
	<u>65</u>	<u>53</u>	<u>118</u>
At 31 August 2013	36	63	99
	<u>36</u>	<u>63</u>	<u>99</u>

The Academy occupies the Land and Buildings at Beulah Hill, London, SE19 3HL, under the terms of a licence to occupy from the Trustees of the Brothers of the Christian Schools (De La Salle).

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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<b>11 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
VAT recoverable	53	26
Prepayments and accrued income	80	36
	<u>133</u>	<u>62</u>
	<u><u>133</u></u>	<u><u>62</u></u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1	-
Taxes and social security costs	89	92
Accruals	95	66
	<u>185</u>	<u>158</u>
	<u><u>185</u></u>	<u><u>158</u></u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 13 Funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
<b>Restricted general funds</b>					
General Annual Grant	7	5,687	(5,740)	46	-
Other DfE / EFA grants	-	294	(243)	-	51
Other government grants	-	95	(95)	-	-
Other restricted funds	176	198	(307)	75	142
	<u>183</u>	<u>6,274</u>	<u>(6,385)</u>	<u>121</u>	<u>193</u>
Funds excluding pensions	(914)	-	(15)	(129)	(1,058)
	<u>(731)</u>	<u>6,274</u>	<u>(6,400)</u>	<u>(8)</u>	<u>(865)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	34	37	(4)	(37)	30
Capital expenditure from GAG or other funds	65	-	(51)	75	89
	<u>99</u>	<u>37</u>	<u>(55)</u>	<u>38</u>	<u>119</u>
<b>Total restricted funds</b>	<u>(632)</u>	<u>6,311</u>	<u>(6,455)</u>	<u>30</u>	<u>(746)</u>
<b>Unrestricted funds</b>					
General funds	522	184	(81)	(159)	466
	<u>522</u>	<u>184</u>	<u>(81)</u>	<u>(159)</u>	<u>466</u>
<b>Total funds</b>	<u>(110)</u>	<u>6,495</u>	<u>(6,536)</u>	<u>(129)</u>	<u>(280)</u>

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 2014.

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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 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 2014 are represented by:</b>				
Tangible fixed assets	-	-	118	118
Current assets	466	378	1	845
Creditors: amounts falling due within one year	-	(185)	-	(185)
Defined benefit pension liability	-	(1,058)	-	(1,058)
	<u>466</u>	<u>(865)</u>	<u>119</u>	<u>(280)</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 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 2014 and of the LGPS 31 March 2013.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual 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, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme



# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 15 Pensions and similar obligations

(Continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers Pensions website <<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>>.

#### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Pensions and similar obligations

(Continued)

#### 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 34 % for employers and and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £160k.

The employer's contribution rate 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.

	2014 £'000	2013 £'000
Employer's contributions	167	187
Employees' contributions	32	37
Total contributions	<u>199</u>	<u>224</u>

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.4	4.6
Rate of increase for pensions in payment	2.6	2.8
Discount rate for scheme liabilities	3.7	4.6
Inflation assumption (CPI)	<u>5.4</u>	<u>5.9</u>

#### 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 10%, £180k (2013; 11%, £129k).

If the member life expectancy were to increase by 1 year, the approximate increase to the Employer liability would be 3%, £52k (2013; 3%, £36k).

If the salary increase rate were to increase by 0.5%, the approximate increase to the Employer liability would be 3%, £52k (2013; 5%, £54k).

If the pension increase rate were to increase by 0.5%, the approximate increase to the Employer liability would be 7%, £125k (2013; 6%, £73k).

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 15 Pensions and similar obligations

(Continued)

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

	2014 Years	2013 Years
Retiring today		
- Males	22.3	22.9
- Females	24.4	25.7
Retiring in 20 years		
- Males	24.4	24.9
- Females	26.7	27.7

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

	2014 Expected return %	2014 Fair value £'000	2013 Expected return %	2013 Fair value £'000
Equities	6.4	416	6.8	174
Bonds	3.7	159	4.4	78
Property	4.5	53	4.7	14
Other assets	3.3	33	3.6	14
Total market value of assets		661		280
Present value of scheme liabilities - funded		(1,719)		(1,194)
Net pension asset / (liability)		(1,058)		(914)

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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15 Pensions and similar obligations	(Continued)	
<b>Operating costs and income recognised in the statement of financial activities</b>		
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(22)	(9)
Interest on pension liabilities	59	53
	<u>37</u>	<u>44</u>
<b>Other expenditure/(income)</b>		
Current service cost	145	110
Past service cost	-	-
	<u>145</u>	<u>110</u>
<b>Total operating charge/(income)</b>	<u>182</u>	<u>154</u>
<b>Actuarial gains and losses recognised in the statement of financial activities</b>		
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (gains)/losses on assets: actual return less expected	(169)	(17)
Experience (gains)/losses on liabilities	-	92
(Gains)/losses arising from changes in assumptions	298	-
	<u>129</u>	<u>75</u>
<b>Total (gains)/losses</b>	<u>129</u>	<u>75</u>
<b>Cumulative (gains)/losses to date</b>	<u>204</u>	<u>75</u>
<b>Movements in the present value of defined benefit obligations were as follows:</b>		
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligations	(1,194)	-
Obligations acquired on conversion	-	(902)
Current service cost	(145)	(110)
Interest cost	(59)	(53)
Contributions by employees	(32)	(37)
Actuarial gains/(losses)	(298)	(92)
Benefits paid	9	-
	<u>(1,719)</u>	<u>(1,194)</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Pensions and similar obligations (Continued)

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

	2014 £'000	2013 £'000
Opening fair value of scheme assets	280	-
Expected return on assets	22	9
Actuarial gains/(losses)	169	17
Contributions by employers	167	187
Contributions by employees	32	37
Benefits paid	(9)	-
Curtailments and settlements	-	30
	<u>661</u>	<u>280</u>

**History of experience gains and losses:**

	2014 £'000	2013 £'000
Present value of defined benefit obligations	(1,719)	(1,194)
Fair value of share of scheme assets	661	280
Surplus / (deficit)	<u>(1,058)</u>	<u>(914)</u>
Experience adjustment on scheme liabilities	-	(92)
Experience adjustment on scheme assets	169	17

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

	2014 £'000	2013 £'000
Net income	(41)	(35)
Capital grants and similar income	(37)	(48)
Net deficit/(surplus) transferred on conversion	-	(44)
Net current assets other than cash transferred on conversion	-	916
FRS17 pension costs less contributions payable	(22)	(77)
FRS17 pension finance income	37	44
Depreciation of tangible fixed assets	55	38
(Increase)/decrease in debtors	(71)	(62)
Increase/(decrease) in creditors	28	158
Net cash inflow/(outflow) from operating activities	<u>(51)</u>	<u>890</u>

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

17 Reconciliation of net cash flow to movement in net funds	2014 £'000	2013 £'000
Increase/(decrease) in cash	(89)	801
Net funds at 1 September 2013	801	-
<b>Net funds at 31 August 2014</b>	<b>712</b>	<b>801</b>

18 Analysis of net funds	At 1 September 2013 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2014 £'000
Cash at bank and in hand	801	(89)	-	712

### 19 Commitments under operating leases

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Expiry date:		
- Within one year	5	23
- Between two and five years	18	15
- In over five years	-	1
	<b>23</b>	<b>39</b>

### 20 Capital commitments

The Academy is committed to a capital project for 2014/15 to improve security, including new perimeter fencing. The cost of the project is estimated to be £146k, funding of which is due from capital grant funding.

### 21 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors 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.

# ST JOSEPH'S COLLEGE DELASALLE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

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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.