

**St Anselm's College Edmund Rice
Academy Trust**

Report and Financial Statements

Year Ended

31 August 2016

Company Number 07638417

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

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St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2016

Trustees

J S Brown, Chairman
M Redfearn, Vice Chairman
Cllr. G Davies, Governor
K Diaz, Staff Governor
R S Duggan, Headmaster and Accounting Officer
J Greaves, Parent Governor and Responsible Officer
P Green, Governor
W Iveson, Governor
M Martin, Parent Governor (resigned 31 August 2016)
D McDonald, Governor
A J Nelson, Governor
Dr J Oates, Governor
J Rawsthorne, Staff Governor
A R Wood, Governor
P Wyness, Parent Governor (resigned 31 August 2016)
Dr S Wilkinson, Governor
P Young, Governor
E McNamara, Governor (appointed 7 November 2016)
D O'Connor, Governor (appointed 7 November 2016)
D Lynch, Governor (appointed 8 November 2016)

Company registered number

07638417

Company name

St Anselm's College Edmund Rice Academy Trust

Secretary and registered office

B P Morgan, St Anselm's College, Manor Hill, Birkenhead, Merseyside, CH43 1UQ

Bankers

Lloyds TSB, 355 Woodchurch Road, Prenton, Birkenhead, Wirral, CH42 5BP

Solicitors

Howarth & Gallagher, 39 Hamilton Square, Birkenhead, Merseyside, CH41 5BP

Independent auditors

BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Trustees' Report

For the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Structure, Governance and Management

a. Constitution

The academy is a charitable 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 act as the Trustees of St Anselm's College Edmund Rice Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St Anselm's College.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Qualifying third party indemnity provision has been obtained by the Academy for the benefit of the governors.

St Anselm's College Edmund Rice Academy Trust

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Trustees' Report (continued) **For the Year Ended 31 August 2016**

d. Method of Recruitment and Appointment or Election of Trustees

The first member of the Academy Trust shall be the Congregation which shall subscribe to the Memorandum. Subsequent members of the academy Trust shall be;

1. Up to three members appointed by the Congregation; and
2. The Chairman of the Governors; and
3. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose.

The number of Governors shall not be less than 3 but shall not be subject to any maximum. Subject to Articles 48 49 and 64, the Academy Trust shall have the following Governors:

- up to 12 Governors;
- up to 4 parent Governors
- up to 2 Elected Staff Governors, comprised of up to 1 support staff and up to 1 teacher elected under articles 58A and 58B;
- up to 1 LA Governor if appointed;
- the Headmaster.

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

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Headmaster. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or reelected.

e. Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the Board of Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a period, induction tends to be done informally and is tailored specifically to the individual.

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Trustees' Report (continued)
For the Year Ended 31 August 2016

f. Organisational Structure

The structure consists of three levels: the Governors, Senior Leadership Team and Heads of curriculum departments and Heads of Year. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Leadership Team are the Headmaster, Deputy Headteachers, Assistant Headteachers and the Director of Finance. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for middle and senior leader posts will include Governor representation. Some spending control is devolved to Heads of Departments and other budget holders with limits above which the Director of Finance must countersign.

g. Arrangements for setting pay and remuneration of key management personnel

Specific pay ranges have been established for key personnel within the Leadership pay range. All key personnel are subject to the College's Performance Management Procedures as laid down in the Performance Management Policy. Any movement within the pay range is approved annually by the Governing Body Pay Committee.

h. Connected Organisations including Related Party Relationships

The Edmund Rice Trust is a voluntary organisation which has been set up to fund Capital building projects for the benefit of the College. It relies on voluntary donations from beneficiaries, ex pupils and staff. The current project it has undertaken is the purchase of Outwood House from the Christian Brothers which has currently been converted into a 6th form centre for use by the College. The first phase was completed in February 2013.

Objectives and Activities

a. Objects and Aims

St. Anselm's College is a Roman Catholic Grammar School for boys aged 11-18 which provides secondary education for Catholic, Christian boys in Wirral in the tradition of the Christian Brothers. We enjoy a rich cultural heritage as members of the global Edmund Rice family, guided by the Essentials of an Edmund Rice education.

The principal object of the Academy is specifically restricted to the following; to advance the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, continuing, managing and developing a school offering a broad and balanced curriculum being St. Anselm's College. We seek to provide outstanding Catholic secondary education in Wirral in order to nurture future generations of Roman Catholic, Christian, leaders who will faithfully represent our timeless values in society. The education provided will be free and available to all boys living within our catchment area.

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2016

b. Objectives, Strategies and Activities

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

- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with the world of HE, training and employment;
- to provide an appropriate Catholic, Christian education and outstanding opportunities for the spiritual growth of all students;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

St. Anselm's College values diversity and seeks to give everyone at the College an equal opportunity to learn, work and live free from the threat, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and spiritually and to establish a community that is just and fair for all people who work and learn here or visit us, in accordance with the teachings of the Roman Catholic Church.

We want our students to be happy and healthy, enthused by the intellectual, social and physical opportunities posed by their education at school. They will be encouraged to develop into independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, dedication and professional expertise teachers will enthuse and inspire others to explore new ideas.

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

Governors will contribute to the life of the College on a wider scale, acting as critical friends to support us to become a nationally recognised centre of excellence and support the continued development of the site and teaching and learning facilities. The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish and maintain equal opportunity in all areas of its life including creating a working environment in which the contribution and needs of all people are fully valued.

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability.

c. Public Benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

St Anselm's College Edmund Rice Academy Trust

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Trustees' Report (continued)
For the Year Ended 31 August 2016

Strategic Report

Achievements and Performance

a. Review of activities

The Academy is in its fifth period of operation and continues to achieve the forecast numbers of students. Total students in the year ended 31 August 2016 numbered 859 and the Academy has a full complement in all year groups.

In summer 2016 the academy achieved very good results in public examinations at both A level and GCSE. 49% of all GCE/BTEC entries were graded at A* B, with a 100% pass rate. This was in line with targets and expectations.

Students' achievement at GCSE is good and sometimes outstanding. Students usually make good progress from Key Stage 2 4 attaining standards that are high by the end of KS4, both in raw and value added terms and above average at Key Stage 5. The College exceeds its challenging targets and high standards are consistently achieved on an annual basis. The percentage of students gaining A*- C grades in English and Maths was 92% in 2016, well above the national average. 26% achieved 5+A*/A grades in 2016. This figure is usually 35%+.

High standards are maintained on an ongoing basis. Record GCSE results were achieved in summer 2011 with 98% of students securing 5+ A* C grades, including English & maths, 99% overall, placing us in the top 10% of schools nationally for achievement AND value added since Key stage 2. In 2015 95% achieved 5+ A* C grades, 91% with both English & Maths. 36% of students gained 5+ A*/A grades, 1 student achieved 12 A* grades.

The College almost always exceeds its FFTD targets and all groups of students usually achieve well with no major differences between different ethnic groups. The College continues to address the attainment gap between those pupils eligible for FSM and others which did not exist before 2010 and was closed in 2014 to below the national average. Achievement in the 6th form is good as the 6th form is fully inclusive in relation to access to 6th Form A level study for those who achieve 5 GCSEs at C or above, with 3 Bs, which includes almost all Year 11 students. The College has recognised that the percentage of students achieving A*/A at GCE level could be higher. Standards in Key Stage 4 in areas that have been underachieving are on an upward trend e.g. geography and modern foreign languages, although further improvement is required in German and Food Technology. Measures are in place to improve achievement in A level (GCE) Psychology and Biology with signs of progress in 2015. Both subjects were disrupted by unusual staffing issues in 2016.

To ensure that standards are continually improved the Academy operates a programme of internal reviews of curriculum areas and has an external quality assurance review as part of its membership of Wirral LA's EQ scheme, employing a School Improvement Adviser, a HMI and former Ofsted Inspector. The Academy was last inspected by Ofsted in October 2013, gaining a 'good' judgement and received an 'outstanding' Diocesan Inspection report in March 2014. The Headteacher has trained as a Local Leader of Education.

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Trustees' Report (continued) For the Year Ended 31 August 2016

b. Key Performance Indicators

The Academy held fund balances at 31 August 2016 of £1,838,000 comprising £1,342,000 of restricted funds and £496,000 of unrestricted general funds. Of the restricted funds, £2,498,000 is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,173,000 in deficit.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In year under review, £496,000 of unrestricted reserves was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers as at August 2016 were 882.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016 this was 80.46%, compared to (82.48% in 2015).

The finance governors review the financial performance of the monthly accounts against the forecast budget at each committee meeting.

It is the Governors' current aim to use the College reserves effectively over the next few years to counter act the continual reduction in Government funding which the College receives.

c. Going concern

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

Financial review

a. Principal funding

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure of £4,869,000 was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £105,000.

At 31 August 2016 the net book value of fixed assets was £2,340,000. Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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Trustees' Report (continued) For the Year Ended 31 August 2016

b. Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure, approximately £200,000.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £496,000 (total funds less the amount held in fixed assets and restricted funds) exceeds this figure.

There is a pension fund deficit within restricted funds of £1,173,000 arising from the transfer of the pension liability of £336,400 from the Local Authority on conversion to an Academy, impacted by subsequent movements in the following years. This does not mean that an immediate liability for this amount crystallises. The deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions over a period of years. Past service contributions in respect of staff transferred from the Council to the academy have been agreed as annual cash payments over 25 years.

c. Investment Policy

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

d. Principal Risks and Uncertainties

The principal goal for the Academy is to safeguard its long term ability to continue to deliver an outstanding education to its students and to grow, maintain and renew its physical facilities appropriately within space constraints.

One of the academy's main uncertainties is the impact of Government funding changes and the current uncertain economic climate and financial environment.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in 'The Purpose of the System of Internal Control' on page 13.

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Trustees' Report (continued) For the Year Ended 31 August 2016

Plans for Future Periods

a. Future developments

The Academy will continue to strive to improve the achievement of its students at all levels and will continue its efforts to ensure they progress to higher education or further training and employment at age 18.

The Academy has a clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The College also makes use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The Improvement Plan has all the appropriate areas identified for development and is based on regular analysis of data which is meticulously analysed by the Headmaster and the Senior Leadership Team and annually by the Governors at their Strategy Day. It is regularly monitored and amended annually by the SLT and governors. It is underpinned by appropriate budget links.

School improvement strategies are effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, outstanding CPD, including coaching and thorough analysis of examination results, such as Maths, Design and Technology, Economics, French ICT and P.E. The College makes good provision for personalised learning, support and intervention programmes for individual students and the quality of provision for inclusion is outstanding due to personalised programmes aimed at raising achievement, delivered in small groups by Learning Mentors and Teaching Assistants.

The drive for excellence is evident in many aspects of College life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is outstanding in the way that all staff work to share best practice within school and fulfil the College's moral imperative to improve the quality of learning in this community, paying heed to local, national and international developments.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on _____ and signed on its behalf by:


J S Brown
Chair of Trustees

St Anselm's College Edmund Rice Academy Trust

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Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Anselm's College Edmund Rice Academy Trust 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 Headmaster, 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 Anselm's College Edmund Rice Academy Trust 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J S Brown, Chairman	3	3
M Redfearn, Vice Chairman	2	3
Cllr. G Davies, Governor	3	3
K Diaz, Staff Governor	2	3
R S Duggan, Headmaster and Accounting Officer	3	3
J Greaves, Parent Governor and Responsible Officer	2	3
P Green, Governor	1	3
W Iveson, Governor	2	3
M Martin, Parent Governor	0	3
D McDonald, Governor	3	3
A J Nelson, Governor	0	3
Dr J Oates, Governor	3	3
J Rawsthorne, Staff Governor	2	3
A R Wood, Governor	3	3
P Wyness, Parent Governor	0	3
Dr S Wilkinson, Governor	3	3
P Young, Governor	1	3
E McNamara, Governor	0	0
D O'Connor, Governor	0	0
D Lynch, Governor	0	0

There have been no significant changes to the composition of the Governing body since the College converted to Academy status.

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Governance Statement (continued)

The Finance and General Purposes Committee monitors the financial management of the College. It ensures that budgets are set correctly to reflect the level of income and expenditure of the College. It also looks at the financial procedures of the College to ensure funds are spent in line with its Financial Procedures and the Academy Financial Handbook. The committee usually meets twice per term and budget forecast and monitoring documents are provided prior to the meeting for the Governors to discuss and agree. In addition the committee is responsible for the premises management and capital builds within the College.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Greaves, Chair	5	5
J S Brown	4	5
R S Duggan, Principal and Accounting Officer	5	5
W Iveson	5	5
D McDonald	4	5
A J Nelson	2	5
M Redfearn	4	5

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Governance Statement (continued)

Review of Value for money

As Accounting Officer, the Headmaster has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Robust governance and oversight of Academy finances

The Academy's Directors are committed to ensuring that governance of the Academy's financial management is robust. The Governing Body are cognisant of their responsibilities in ensuring that the Academy's resources are managed effectively, to support the objectives in the Academy's Development Plan, whilst considering the long term development of the Academy. The Academy's Governors, Senior Leadership Team and staff strive for the best possible outcomes for pupils, achieved at reasonable cost.

The Finance and General Purposes Committee meets as often as is necessary to fulfil its responsibilities, and at least five times a year. The Committee has a clear Terms of Reference which is reviewed annually. The Committee includes the Headmaster and the Chair of Governors. Members are invited to join the Committee on the basis that they have appropriate skills and experience. Further training is provided as required. The Finance and General Purpose Committee receive regular budget monitoring, provided in a consistent format and with explanatory notes, consider and ratify policies, scrutinise the Academy budget forecast, ensure that the Academy complies with agreed policies and procedures and challenge decision makers on spending proposals. The Committee considers the annual reports and financial statements of St Anselm's College Edmund Rice Academy Trust, and makes recommendations to the Governors, who approve core financial statements and documents.

The Finance and Personnel Committee regularly review key financial policies and procedures. These include:

- Financial procedures manual
- Risk Management Policy and Risk Register
- Terms of Reference
- Scheme of Delegation
- Responsible Officer Reports
- Insurance arrangements

The Finance and General Purposes Committee reviews the effectiveness of internal controls established to ensure that the aims, objectives and key performance targets of the academy are achieved in the most economic, effective and efficient manner.

Management Accounts and Budget forecasts are scrutinised and challenged to ensure that the College is achieving best value for money.

Investment of any current surpluses is considered to ensure the best return is achieved on cash balances held by the College.

All Governors and staff who control budgets are required to complete a Register of Pecuniary Interests form annually.

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Governance Statement (continued)

Reviewing controls and managing risks

The Academy regularly reviews its Risk Management Strategy, Business Continuity Plan and Risk Register. Insurance is currently subject to a competitive tender process (as and when required). A Reserves policy is in place, which considers potential risks when calculating the optimum level of reserves held by the Academy.

All decisions regarding purchasing and service provision will be taken with an emphasis on obtaining value for money and improving outcomes for pupils. We have become increasingly effective in our development of Pupil Premium funding to narrow the achievement at GCSE.

Staffing

As nearly 80% of the Academy's budget is spent on staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy's development plan. Creative use of human resources demonstrates a commitment to using staff skills effectively. Staff are encouraged to use their particular areas of expertise to benefit pupil outcomes and are deployed to provide best value. Temporary changes to permanent contracts are frequently used to meet the needs of the academy.

Purchasing

All purchasing follows best value principles. A scheme of delegation is in place, as are separation of duties. Purchases of over £2,000 require three written quotations, and contracts and orders over £20,000 are authorised by the Finance and General Purposes Committee. All services ordered with a value of over £10,000 are subject to formal tendering procedures and authorised by the Finance and General Purposes Committee. Competitive tendering procedures are detailed in the Financial Procedures Manual. Governors and staff accept that best value quotes may not be the cheapest as other factors, including workmanship and quality of services, need to be considered.

Payroll

The Academy payroll is maintained by Accountants Malthouse and Company who provides the most cost effective way of managing staff salary payments.

Detailed monthly reconciliations of payroll by the Finance Director and the Headmaster ensure that payments to staff are correct.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Anselm's College Edmund Rice Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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.

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 J S Brown, a Trustee, as Responsible Officer (RO).

The Finance Governors decided that due to the level of information provided to them by the Finance Director by way of forecasts, historic financial information, risk registers and financial procedures, then linking this with the thoroughness of the Annual Audit and the associated cost of Responsible Officer visits, that an internal audit function was not required in the near future.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Headmaster 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Finance and General Purposes 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 trustees on

and signed on their behalf, by:



J S Brown
Chair of Trustees



R S Duggan
Accounting Officer

**St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Anselm's College Edmund Rice Academy Trust 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 EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust 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 2015.

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



**Richard S Duggan
Accounting Officer**

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Statement of Trustees' Responsibilities For the Year Ended 31 August 2016

The Trustees (who act as governors of St Anselm's College Edmund Rice Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

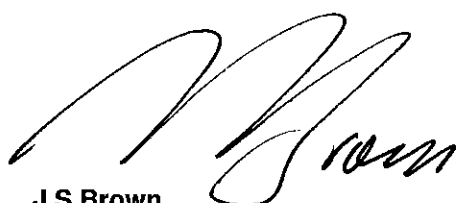
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on

and signed on its behalf by:



J S Brown
Chair of Trustees

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of St Anselm's College Edmund Rice Academy Trust

We have audited the financial statements of St Anselm's College Edmund Rice Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who act as governors of St Anselm's College Edmund Rice Academy Trust and are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, which includes the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

**Independent Auditors' Report on the Financial Statements to the Members of St Anselm's College
Edmund Rice Academy Trust**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

BDO LLP

BDO LLP

5 Temple Square
Temple Street
Liverpool
L2 5RH

Date: 14/12/16

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to St Anselm's College Edmund Rice Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 11 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Anselm's College Edmund Rice Academy Trust during the year to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Anselm's College Edmund Rice Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Anselm's College Edmund Rice Academy Trust 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 St Anselm's College Edmund Rice Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Anselm's College Edmund Rice Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Anselm's College Edmund Rice Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016 (SORP 2015). 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 year to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015) 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's income and expenditure.

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

**St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountants' Assurance Report on Regularity to St Anselm's College Edmund Rice Academy Trust and the Education Funding Agency (continued)

Conclusion

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

EDoLLP

BDO LLP

5 Temple Square
Temple Street
Liverpool
L2 5RH

Date: 14/12/16.

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

Statement of Financial Activities Incorporating Income and Expenditure Account
For the Year Ended 31 August 2016

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Income from:						
Donations and capital grants	2	37	41	227	305	114
Charitable activities	3	112	4,573	-	4,685	4,738
Other trading activities	4	10	11	-	21	8
Total income		<u>159</u>	<u>4,625</u>	<u>227</u>	<u>5,011</u>	<u>4,860</u>
Expenditure on:						
Raising funds	5	11	40	-	51	40
Charitable activities		12	4,615	192	4,819	5,066
Total expenditure	5	<u>23</u>	<u>4,655</u>	<u>192</u>	<u>4,870</u>	<u>5,106</u>
Net income / (expenditure) before other recognised gains and losses						
		136	(30)	35	141	(246)
Actuarial losses on defined benefit pension schemes	19	-	(497)	-	(497)	(36)
Net movement in funds		<u>136</u>	<u>(527)</u>	<u>35</u>	<u>(356)</u>	<u>(282)</u>
Reconciliation of funds:						
Total funds brought forward		<u>361</u>	<u>(629)</u>	<u>2,461</u>	<u>2,193</u>	<u>2,475</u>
Total funds carried forward		<u><u>497</u></u>	<u><u>(1,156)</u></u>	<u><u>2,496</u></u>	<u><u>1,837</u></u>	<u><u>2,193</u></u>

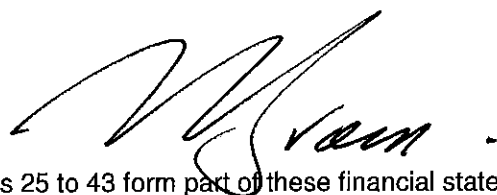
St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)
Registered number: 07638417

Balance Sheet
As at 31 August 2016

	Note	£000	2016 £000	£000	2015 £000
Fixed assets					
Tangible assets	11		2,340		2,460
Current assets					
Debtors	12	180		75	
Cash at bank and in hand		685		367	
		<u>865</u>		<u>442</u>	
Creditors: amounts falling due within one year	13	(195)		(80)	
Net current assets			<u>670</u>		<u>362</u>
Total assets less current liabilities					
Defined benefit pension scheme liability	19		(1,173)		(629)
Net assets including pension scheme liabilities			<u><u>1,837</u></u>		<u><u>2,193</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	14	17		-	
Restricted fixed asset funds	14	2,496		2,461	
Restricted income funds excluding pension liability		<u>2,513</u>		<u>2,461</u>	
Pension reserve		(1,173)		(629)	
Total restricted income funds			<u>1,340</u>		<u>1,832</u>
Unrestricted income funds	14		<u>497</u>		<u>361</u>
Total funds			<u><u>1,837</u></u>		<u><u>2,193</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

Chair of Trustees



The notes on pages 25 to 43 form part of these financial statements.

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	16	129	26
Cash flows from investing activities:			
Purchase of tangible fixed assets		(61)	(85)
Capital grants from DfE/EFA		227	17
Net cash provided by/(used in) investing activities		166	(68)
Cash flows from financing activities:			
Cash inflows from new borrowing		23	-
Net cash provided by financing activities		23	-
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		367	409
Cash and cash equivalents carried forward	17	685	367

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Anselm's College Edmund Rice Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of St Anselm's College Edmund Rice Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Anselm's College Edmund Rice Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 22.

1.2 Going concern

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

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

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

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold building	-	5% straight line
Motor vehicles	-	10% straight line
Fixtures and fittings	-	20% straight line
ICT equipment	-	33% straight line
Assets under construction	-	20% straight line

1.6 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.7 Taxation

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.9 Fund accounting

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

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

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

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting Policies (continued)

1.10 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The most important factor in determining the amount of GAG the school receives each year is the number of pupils on roll. Regular reports are provided to members of the Finance Committee estimating the size of the School Budget. These are updated as & when changes take place with regards to intakes.

2. Income from donations and capital grants

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	37	41	9	87	97
Capital Grants	-	-	218	218	17
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	37	41	227	305	114
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £45,000 was to unrestricted funds, £52,000 was to restricted funds and £17,000 was to restricted fixed asset funds.

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	4,090	4,090	4,227
Other DfE/EFA grants	-	76	76	79
	<u>-</u>	<u>4,166</u>	<u>4,166</u>	<u>4,306</u>
Other government grants				
Local authority grants	-	130	130	37
Other government grants	-	51	51	-
	<u>-</u>	<u>181</u>	<u>181</u>	<u>37</u>
Other funding				
School fund income	-	225	225	221
Income from provision of other services	112	1	113	174
	<u>112</u>	<u>226</u>	<u>338</u>	<u>395</u>
	<u>112</u>	<u>4,573</u>	<u>4,685</u>	<u>4,738</u>

In 2015, of the total income from charitable activities, £161,000 was to unrestricted funds and £4,577,000 was to restricted funds.

4. Trading activities

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Charity trading activities				
Hire of facilities	5	-	5	6
Sale of goods and services	5	8	13	-
Catering income	-	3	3	2
	<u>10</u>	<u>11</u>	<u>21</u>	<u>8</u>
	<u>10</u>	<u>11</u>	<u>21</u>	<u>8</u>

In 2015, of the total income from other trading activities, £8,000 was to unrestricted funds and £NIL was to restricted funds.

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2016

5. Expenditure

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Expenditure on raising funds	-	-	51	51	40
Activities:					
Direct costs	2,992	181	406	3,579	3,915
Support costs	352	468	420	1,240	1,151
	<u>3,344</u>	<u>649</u>	<u>877</u>	<u>4,870</u>	<u>5,106</u>

In 2015 of the total expenditure, £53,000 was to unrestricted funds, £4,867,000 was to restricted funds and £186,000 was to restricted fixed asset funds.

6. Analysis of support costs

	Education operations £000	Total 2016 £000	Total 2015 £000
Depreciation	10	10	10
Technology costs	29	29	16
Premises costs	458	458	383
Other support costs	373	373	367
Governance costs	19	19	20
Wages and salaries	295	295	295
National insurance	18	18	17
Pension cost	38	38	43
	<u>1,240</u>	<u>1,240</u>	<u>1,151</u>

7. Net income/(expenditure)

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charity	192	181
Auditors' remuneration - audit	9	8
Auditors' remuneration - other services	5	6
Operating lease costs	49	53
	<u>255</u>	<u>248</u>

St Anselm's College Edmund Rice Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2016

8. Staff costs

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	2,638	2,852
Social security costs	232	227
Operating costs of defined benefit pension schemes	421	408
	3,291	3,487
Supply teacher costs	53	47
Staff restructuring costs	-	95
	3,344	3,629

Staff restructuring costs comprise:

Redundancy payments	-	64
Severance payments	-	31
	-	95

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Teachers	54	52
Administration and support staff	27	30
Management	6	7
	87	89

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	3
In the band £100,001 - £110,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employers pension contributions for these staff amounted to £38k (2015: £41k).

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015: £31,000).

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8. Staff costs (continued)

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £549,763 (2015: £607,988).

9. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£000	£000
R S Duggan (Headteacher and trustee)	Remuneration	100-110	100-110
K Diaz (staff trustee)	Remuneration	20-30	20-30
J Rawsthorne (staff trustee)	Remuneration	40-50	40-50

During the year, no Trustees received any reimbursement of expenses (2015 - £375).

Other related party transactions involving the trustees are set out in note 21.

10. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £968 (2015: £1,000). The cost of this insurance is included in the total insurance cost.

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11. Tangible fixed assets

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2015	2,588	16	136	187	-	2,927
Additions	-	12	18	8	34	72
At 31 August 2016	<u>2,588</u>	<u>28</u>	<u>154</u>	<u>195</u>	<u>34</u>	<u>2,999</u>
Depreciation						
At 1 September 2015	273	3	65	126	-	467
Charge for the year	131	3	28	30	-	192
At 31 August 2016	<u>404</u>	<u>6</u>	<u>93</u>	<u>156</u>	<u>-</u>	<u>659</u>
Net book value						
At 31 August 2016	<u>2,184</u>	<u>22</u>	<u>61</u>	<u>39</u>	<u>34</u>	<u>2,340</u>
At 31 August 2015	<u>2,315</u>	<u>13</u>	<u>71</u>	<u>61</u>	<u>-</u>	<u>2,460</u>

12. Debtors

	2016 £000	2015 £000
Trade debtors	1	2
VAT repayable	21	9
Other debtors	11	19
Prepayments and accrued income	147	45
	<u>180</u>	<u>75</u>

13. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Other creditors	23	-
Accruals and deferred income	172	80
	<u>195</u>	<u>80</u>

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Notes to the Financial Statements
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13. Creditors: Amounts falling due within one year (continued)

	2016 £000	2015 £000
Deferred income		
Deferred income at 1 September 2015	30	25
Resources deferred during the year	48	30
Amounts released from previous years	(30)	(25)
	48	30
Deferred income at 31 August 2016	48	30

14. Statement of funds

	Brought Forward £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds					
General Funds - all funds	361	159	(23)	-	497
	361	159	(23)	-	497
Restricted funds					
General Annual Grant (GAG)	-	4,090	(4,073)	-	17
Other DfE/EFA grants	-	76	(76)	-	-
Non-government income	-	459	(459)	-	-
Pension reserve	(629)	-	(47)	(497)	(1,173)
	(629)	4,625	(4,655)	(497)	(1,156)
	(629)	4,625	(4,655)	(497)	(1,156)
Restricted fixed asset funds					
On transfer from LA on conversion	14	-	(8)	-	6
DfE/EFA capital grants	23	-	(6)	-	17
Capital expenditure from government grants	2,353	227	(79)	-	2,501
Capital expenditure from GAG	71	-	(99)	-	(28)
	2,461	227	(192)	-	2,496
Total restricted funds	1,832	4,852	(4,847)	(497)	1,340
Total of funds	2,193	5,011	(4,870)	(497)	1,837

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15. Analysis of net assets between funds

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	2,340	2,340	2,461
Current assets	510	174	181	865	441
Creditors due within one year	(13)	(157)	(25)	(195)	(80)
Provisions for liabilities and charges	-	(1,173)	-	(1,173)	(629)
	<u>497</u>	<u>(1,156)</u>	<u>2,496</u>	<u>1,837</u>	<u>2,193</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £000	2015 £000
Net income/(expenditure) for the year (as per Statement of financial activities)	141	(246)
Adjustment for:		
Depreciation charges	192	187
(Increase)/decrease in debtors	(105)	103
Increase/(decrease) in creditors	92	(46)
Capital grants from DfE and other capital income	(227)	(17)
Defined benefit pension scheme cost less contributions payable	22	24
Defined benefit pension scheme finance income	25	21
Accrued fixed asset purchases	(11)	-
Net cash provided by operating activities	<u>129</u>	<u>26</u>

17. Analysis of cash and cash equivalents

	2016 £000	2015 £000
Cash in hand	685	367
Total	<u>685</u>	<u>367</u>

18. Members' liability

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

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Notes to the Financial Statements For the Year Ended 31 August 2016

19. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £508,571 (2015 - £501,949).

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

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19. Pension commitments (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £129,149 (2015 - £140,521), of which employer's contributions totalled £98,157 (2015 - £106,161) and employees' contributions totalled £30,992 (2015 - £34,360). The agreed contribution rates for future years are 12.5% for employers and 6.25% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
CPI inflation	1.80 %	2.30 %

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

	2016	2015
Retiring today		
Males	22.5	22.4
Females	25.4	25.3
Retiring in 20 years		
Males	24.9	24.8
Females	28.2	28.1

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Notes to the Financial Statements
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19. Pension commitments (continued)

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	508	423
Debt instruments	158	134
Property & other	300	146
	<hr/>	<hr/>
Total market value of assets	966	703
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £148,000 (2015 - £19,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(120)	(130)
Net interest cost	(23)	(19)
Administration expenses	(2)	(3)
	<hr/>	<hr/>
Total	(145)	(152)
	<hr/> <hr/>	<hr/> <hr/>

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

	2016 £000	2015 £000
Opening defined benefit obligation	1,332	1,102
Current service cost	120	130
Interest cost	53	44
Contributions by employees	31	34
Actuarial losses	615	31
Benefits paid	(12)	(9)
	<hr/>	<hr/>
Closing defined benefit obligation	2,139	1,332
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
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19. Pension commitments (continued)

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	703	555
Interest income	30	25
Actuarial gains and (losses)	118	(5)
Contributions by employer	98	106
Contributions by employees	31	34
Benefits paid	(12)	(9)
Administration expenses	(2)	(3)
	966	703
Closing fair value of scheme assets	966	703

20. Operating lease commitments

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	52	52
Between 1 and 5 years	6	29
	58	81
Total	58	81

St Anselm's College Edmund Rice Academy Trust (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2016

21. Related party transactions

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

St Anselm's College Edmund Rice Trust Fund (The Fund) is a charity set up to provide support for St Anselm's College and for the benefit of its pupils with objects being for the advancement of education at St Anselm's College and the enhancement and improvement of facilities and amenities therein. The fund has 5 trustees in common with the Academy and is therefore deemed to be a related party in line with FRS8. The trust fund owns the Outward House property in which the Academy is currently in the process of refurbishing as a sixth form centre.

The academy is one of many colleges worldwide that is supported by the Congregation of the Christian Brothers. Up to three members of the Governing Body are appointed by the congregation and therefore deemed to be a related party in line with FRS102. The land and buildings occupied by the academy is owned by the Christian Brothers and is leased to the Academy on an operating lease for a peppercorn rent. A notional rent of £30k has been appointed to this benefit and treated as a gift in kind, within donations. A corresponding expense of £30k has been charged within direct costs.

During the year, personal travel costs for Simon Duggan, Head Teacher, amounting to £2,331 (2015: £nil) were paid by the Academy; the travel costs were subsequently invoiced to Simon Duggan, as agreed. As at 31 August 2016 £nil (2015: £nil) was outstanding.

During the year, services were received from Redfearn Morrison Thomas, an entity in which Michael Redfearn is a business partner, in relation to the demolition of the sixth form block, amounting to £2,500 (2015: £nil). As at 31 August 2016 £nil (2015: £nil) was outstanding.

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22. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	Notes	1 September 2014	31 August 2015
		£000	£000
Total funds under previous UK GAAP		2,475	2,193
Recognition of outstanding employee benefits	B	-	-
Total funds reported under FRS 102		<u>2,475</u>	<u>2,193</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£000
Net (expenditure) previously reported under UK GAAP		(235)
Change in recognition of LGPS interest cost	A	(11)
Net movement in funds reported under FRS 102		<u>(246)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in the SoFA. Under FRS 102, a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £11,000 and decrease the movement in other recognised gains and losses in the SoFA by an equivalent amount.

B No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward up to X days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. A provision of £nil was recognised at 1 September 2014 and £nil at 31 August 2015. The movement on this provision of £nil has been charged to the SoFA in the year ended 31 August 2015.