

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

Financial Statements

Year Ended

31 August 2018

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

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Reference and Administrative Details For the Year Ended 31 August 2018

Members

The Congregation of Christian Brothers
Br. B D Sassi (appointed 15 September 2017)
Br. P J G Gordon
Br. E J Coupe (resigned 15 September 2017)
J Brown (resigned 30 September 2017)
J Greaves (appointed 4 October 2017)

Trustees

J S Brown, Governor (resigned 30 September 2017)
M Redfearn, Governor
Cllr. G Davies, Governor
K Diaz, Staff Governor (resigned 19 October 2017)
R S Duggan, Headmaster and Accounting Officer
J Greaves, Chair of Trustees
P Green, Governor
W Iveson, Governor (resigned 31 August 2018)
D McDonald, Governor
A J Nelson, Governor
Dr J Oates, Governor
A R Wood, Governor
P Young, Governor (resigned 31 August 2018)
E McNamara, Governor
D O'Connor, Governor
D Lynch, Governor
B J Swan, Staff Governor (resigned 31 August 2018)
Br M K O'Flaherty, Governor (resigned 1 May 2018)
N P Turner, Governor
C J Cleugh, Governor (appointed 1 September 2017)
C C Hawsworth, Staff Governor (appointed 19 October 2017)
A Gaunt, Governor (appointed 1 September 2018)
C Mills, Governor (appointed 23 October 2017)
A Whiteley, Governor (appointed 19 October 2017)
J Kane, Governor (appointed 29 October 2018)

Company registered number

07638417

Company name

St Anselm's College Edmund Rice Academy Trust

Principal and registered office

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

St Anselm's College Edmund Rice Academy Trust
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Reference and Administrative Details
For the Year Ended 31 August 2018

Advisers (continued)

Company secretary

B P Morgan

Independent auditor

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

Bankers

Lloyds TSB, Prenton, Birkenhead, Merseyside, CH42 5BP

Solicitors

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

St Anselm's College Edmund Rice Academy Trust

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Trustees' Report For the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. 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 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.

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.

St Anselm's College Edmund Rice Academy Trust

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

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; and
- 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 re-elected.

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.

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 Headteacher's, Assistant Headteacher's 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.

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

h. Trade union facility time

As an Academy, St Anselm's College Edmund Rice Academy Trust do not subscribe to Trade Union activities and do not pay towards the cost nor release staff members for Trade Union duties.

h. Connected organisations, including related party relationships

The Edmund Rice Trust is a voluntary organisation which has been established 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 Academy 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 secondary 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.

b. Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2018 are summarised below:

- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the standard of educational achievement of all students and to close the achievement gap for the Disadvantaged;
- 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; and
- 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.

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

We want our students to be happy and healthy, enthused by the intellectual, social and physical opportunities provided by their education at the College. 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.

Achievements and performance

Strategic report

a. Review of activities

The Academy is in its seventh period of operation and continues to achieve the forecast numbers of students. Total students in the year ended 31 August 2018 numbered 907 (2017 - 901).

In summer 2018 the Academy achieved very good results in public examinations at A level surpassing targets and achieving an ALPS T-score of 3, one of our best in recent years. The results were the best of any Boy's School and the 5th best in the Wirral Local Authority. 51% of all GCE entries were graded at A*-B, with a 100% pass rate. This exceeded targets and expectations. 1 Student secured a place at the University of Oxford and another a place to study Medicine at the University of Liverpool. 42% of all University offers were from Russell Group Universities.

Students' achievement at GCSE is usually good. Students generally make good progress from Key Stage 2-4 attaining standards that are high by the end of KS4, both in attainment and value added terms and above average at Key Stage 5. The College meets challenging targets and high standards are consistently achieved on an annual basis. The percentage of students gaining grades 4-9 in both English and Maths was 93% in 2018, well above the national average. 38% of all entries were grades of 7-9 equivalent, above expectations in 2018. 1 Student achieved 10x grade 9s among only 700 nationally. Progress from age 11-16 was comfortably above the national average and 2nd best boys' school in Wirral. The Progress 8 score of +0.26 represents good value added from age 11-16 and the Attainment 8 score of 60.6 is well above the national average.

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

The College successfully addressed the attainment gap between disadvantaged pupils and others in 2016 with Disadvantaged students making progress well above the national average, + 0.22. 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 grade 5 or above, which includes almost all Year 11 students. Standards in Key Stage 4 in areas that have been underachieving are on an upward trend e.g. Geography and German, although improvement is now required in French, Spanish and Religious Studies. Measures are in place to improve achievement in A Level (GCE) Psychology and Spanish with new Subject Leaders in 2018. Both subjects were disrupted by unusual staffing issues in 2017-18.

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 Edsential scheme, employing a School Improvement Adviser, a HMI and former Ofsted Inspector. The Academy was last inspected by Ofsted in November 2016 receiving a Requires Improvement judgement.

During the past 12 months the College has continued an Action Plan to improve Teaching and Learning, Pupil outcomes and Leadership and Management. Much progress has been made, as confirmed by the 2018 examination results and School Improvement Advisor reviews although there remains room for continued improvement and progress. A new Deputy Head teacher was appointed to the Senior Leadership Team, assuming post in September 2017, and demonstrating significant impact on outcomes for Disadvantaged Pupils at GCSE in 2018.

b. Key performance indicators

The Academy held fund balances at 31 August 2018 of £1,823,000 (2017 - £1,912,000) comprising £1,401,000 (2017 - £1,420,000) of restricted funds and £422,000 (2017 - £492,000) of unrestricted general funds. Of the restricted funds, £2,189,000 (2017 - £2,356,000) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £788,000 (2017 - £936,000) in deficit.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In year under review, £422,000 (2017 - £492,000) 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 2018 were 907 (2017 - 901).

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018 this was 86.13%, compared to (84.22% in 2017).

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 2 years to counter act the continual reduction in Government funding which the College receives.

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

c. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue operational existence in the foreseeable future.

Although there are uncertainties around the level of future funding for the Academy until such time as the National Funding Formula is fully implemented, the College has produced Cash flow forecasts for the current year and the following financial year, which confirm that its finances remain solvent. In addition in the recent Government Budget it was announced that all Secondary Schools will be receiving a one off payment of £50,000, towards capital expenditure, after April 2019. As well as this the College has received an assurance from the Edmund Rice Trust that they will confirm their ongoing commitment to the College to support cash flow, if there is a requirement. For these reasons 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 and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2018, total expenditure of £5,079,000 (2017 - £4,957,000) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £183,000 (2017 - £92,000).

At 31 August 2018 the net book value of fixed assets was £2,214,000 (2017 - £2,356,000). 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.

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 £422,000 (2017 - £492,000) (total funds less the amount held in fixed assets and restricted funds) exceeds this figure.

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Trustees' Report (continued) **For the Year Ended 31 August 2018**

There is a pension fund deficit within restricted funds of £788,000 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 as well reducing numbers moving from Year 11 to Year 12.

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 14.

Fundraising

The College raises funds for a number of registered charities. In addition it raises funds for Schools, Health Clinics and Social Projects in Makeni and Freetown in Sierra Leone. These funds are raised through sponsorship and donations; there is no obligation for any child/parent to donate. All funds/donations collected are given to the relevant charity in a timely manner.

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Trustees' Report (continued) For the Year Ended 31 August 2018

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, 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 effective 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 auditor

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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6th December 2018 and signed on its behalf by:



J Greaves
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
M Redfearn, Governor	2	3
Cllr. G Davies, Governor	3	3
K Diaz, Staff Governor	1	1
R S Duggan, Headmaster and Accounting Officer	3	3
J Greaves, Chair of Trustees	3	3
P Green, Governor	2	3
W Iveson, Governor	1	3
D McDonald, Governor	2	3
A J Nelson, Governor	1	3
Dr J Oates, Governor	2	3
A R Wood, Governor	2	3
P Young, Governor	1	3
E McNamara, Governor	3	3
D O'Connor, Governor	3	3
D Lynch, Governor	3	3
B J Swan, Staff Governor	2	3
Br M K O'Flaherty, Governor	1	2
N P Turner, Governor	3	3
C J Cleugh, Governor	2	3
C C Hawksworth, Staff Governor	2	2
C Mills, Governor	1	2
A Whiteley, Governor	2	2
J Kane, Governor	0	0

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

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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 S Greaves	4	5
R S Duggan, Principal Accounting Officer	5	5
C Cleugh	5	5
D McDonald, Chair	5	5
A J Nelson	3	5
D O'Connor	4	5
N Turner	4	5

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.

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Governance Statement (continued)

The Finance and General Purposes 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
- 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.

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.

All Governors are required to declare any Related Party Transactions on an annual basis.

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.

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Governance Statement (continued)

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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; and
- identification and management of risks.

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

On a quarterly basis, the reviewer reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

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 external auditor;
- the financial management and governance self-assessment process; and
- 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 6 December 2022 and signed on their behalf, by:



J Greaves
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



R 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 2018

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6th December 2018 and signed on its behalf by:



J Greaves
Chair of Trustees

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of St Anselm's College Edmund Rice Academy Trust ("the Academy") for the year ended 31 August 2018 which comprise the statement of financial activities (incorporating income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency (ESFA).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the Strategic report.

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

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

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom

Date: 18/12/2018.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated October 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Anselm's College Edmund Rice Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Anselm's College Edmund Rice Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Anselm's College Edmund Rice Academy Trust and ESFA, 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 October 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 Accountant's Assurance Report on Regularity to St Anselm's College Edmund Rice Academy Trust and the Education and Skills 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom

Date: 18/12/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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 2018

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted Fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
Income from:						
Donations and capital grants	2	-	28	20	48	85
Charitable activities	3	122	4,567	-	4,689	4,594
Other trading activities	4	11	2	-	13	18
Total income		133	4,597	20	4,750	4,697
Expenditure on:						
Raising funds	5	3	38	-	41	41
Charitable activities	5	17	4,834	187	5,038	4,916
Total expenditure		20	4,872	187	5,079	4,957
Net income/ (expenditure) before transfers		113	(275)	(167)	(329)	(260)
Transfers between Funds	14	(183)	183	-	-	-
Net expenditure before other recognised gains and losses		(70)	(92)	(167)	(329)	(260)
Actuarial gains on defined benefit pension schemes	18	-	240	-	240	335
Net movement in funds		(70)	148	(167)	(89)	75
Reconciliation of funds:						
Total funds brought forward		492	(936)	2,356	1,912	1,837
Total funds carried forward		422	(788)	2,189	1,823	1,912

The notes on pages 26 to 48 form part of these financial statements.

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

Company number: 07638417

Balance Sheet As at 31 August 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	11		2,214		2,356
Current assets					
Debtors	12	113		138	
Cash at bank and in hand		394		565	
		<u>507</u>		<u>703</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(110)		(211)	
Net current assets			<u>397</u>		<u>492</u>
Total assets less current liabilities			<u>2,611</u>		<u>2,848</u>
Defined benefit pension scheme liability	18		(788)		(936)
Net assets including pension scheme liability			<u>1,823</u>		<u>1,912</u>
Funds of the academy					
Restricted funds:					
Restricted income funds	14	-		-	
Restricted fixed asset funds	14	2,189		2,356	
Pension reserve		(788)		(936)	
		<u></u>		<u></u>	
Total restricted income funds			1,401		1,420
Unrestricted income funds	14		<u>422</u>		<u>492</u>
Total funds			<u>1,823</u>		<u>1,912</u>

The financial statements on pages 23 to 25 were approved by the Trustees, and authorised for issue, on 6TH DECEMBER 2018 and are signed on their behalf, by:



J Greaves
Chair of Trustees

The notes on pages 26 to 48 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 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(146)	85
Cash flows from investing activities:			
Purchase of tangible fixed assets		(45)	(205)
Capital grants from DfE Group		20	-
		<hr/>	<hr/>
Net cash used in investing activities		(25)	(205)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(171)	(120)
Cash and cash equivalents brought forward		565	685
		<hr/>	<hr/>
Cash and cash equivalents carried forward	17	394	565
		<hr/>	<hr/>

The notes on pages 26 to 48 form part of these 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 2018

1 Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2017 to 2018 issued by ESFA, 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.

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 2018

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 in full when there is an unconditional entitlement to the Grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 receipt is probable and it is measurable.

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

Donations are recognised on a receivable basis where receipt is probable 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 2018

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 includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	5% straight line
Furniture and fixtures	-	20% straight line
Motor vehicles	-	10% straight line
Computer equipment	-	33% straight line

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.

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

1 Accounting Policies (continued)

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities and provisions

Liabilities and provisions 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.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 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.

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

1 Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.12 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 funders where the asset acquired or created is held for a specific purpose.

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

St Anselm's College Edmund Rice Academy Trust

(A Company Limited by Guarantee)

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

1 Accounting Policies (continued)

1.13 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 18, 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 2018. 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 received 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 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	-	28	-	28	65
Capital grants	-	-	20	20	20
	<u>-</u>	<u>28</u>	<u>20</u>	<u>48</u>	<u>85</u>
Total 2017	<u>30</u>	<u>35</u>	<u>20</u>	<u>85</u>	

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

3 Funding for Academy's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,246	4,246	4,142
Other DfE/ESFA grants	-	74	74	80
	-	4,320	4,320	4,222
Other government grants				
Local authority grants	-	35	35	46
	-	35	35	46
Other funding				
School fund income	-	220	220	228
Income from provision of other services	94	(8)	86	98
Insurance receipts	28	-	28	-
	122	212	334	326
	122	4,567	4,689	4,594
Total 2017	87	4,507	4,594	

4 Trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charity income				
Hire of facilities	6	-	6	12
Sale of goods and services	5	-	5	5
Catering income	-	2	2	1
	11	2	13	18
Net income from trading activities	11	2	13	18
Total 2017	15	3	18	

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

5 Expenditure	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
- Direct costs	-	-	41	41	41
- Support costs	-	-	-	-	-
Academy's Educational operations:					
- Direct costs	3,194	190	391	3,775	3,552
- Support costs	463	353	447	1,263	1,364
	3,657	543	879	5,079	4,957
Total 2017	3,517	535	905	4,957	

Total expenditure was £5,079,000 (2017: £4,957,000) of which £20,000 (2017: £45,000) was unrestricted, £4,872,000 (2017: £4,724,000) restricted and £187,000 (2017: £188,000) restricted fixed assets.

Included within expenditure are the following transactions:

	Total	Amount	Individual items
	£000	£000	Reason/nature
Ex-gratia payments	18	8	Resignation
		9	Voluntary resignation
		1	Resignation

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority or approval from the Education and Skills Funding Agency.

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

6 Analysis of expenditure by activities

	Direct costs 2018 £000	Support costs 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charitable activities	3,775	1,263	5,038	4,916
Total 2017	3,552	1,364	4,916	

Analysis of support costs

	Education operations £000	Total 2018 £000	Total 2017 £000
Staff costs	463	463	433
Depreciation	10	10	10
Technology costs	31	31	25
Premises costs	342	342	346
Other	394	394	518
Governance costs	23	23	32
	1,263	1,263	1,364
At 31 August 2017	1,364	1,364	

7 Net income/(expenditure)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	187	189
Auditors' remuneration - audit	10	10
Auditors' remuneration - other services	7	4
Operating lease rentals	56	53

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

8 Staff costs

a Staff costs

Staff costs were as follows:	2018	2017
	£000	£000
Wages and salaries	2,790	2,714
Social security costs	278	267
Operating costs of defined benefit pension schemes	508	486
	3,576	3,467
Agency staff costs	63	50
Staff restructuring costs	18	-
	3,657	3,517

Staff restructuring costs comprise:

Redundancy payments	10	-
Other restructuring costs	8	-
	18	-

b Staff numbers

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

	2018	2017
	Number	Number
Teachers	55	54
Administration and support staff	26	27
Management	6	6
	87	87

c Higher paid staff

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

	2018	2017
	Number	Number
In the band £60,001 - £70,000	3	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £39,063 (2017: £38,000).

St Anselm's College Edmund Rice Academy Trust

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

8 Staff costs continued

d Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 4. The total amount of employee benefits (including employer pension contribution and employer national insurance contribution) received by key management personnel for their services to the academy trust was £627,677 (2017: £593,060).

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:

		2018 £000	2017 £000
R S Duggan (Headteacher and trustee)	Remuneration	110-120	100-110
	Pension contributions paid	10-20	10-20
K Diaz (staff trustee)	Remuneration	0-10	20-30
	Pension contributions paid	0-10	0-10
J Rawthorne (staff trustee)	Remuneration	0	0-10
	Pension contributions paid	0	0-10
A R Wood (trustee)	Remuneration	0-10	0-10
	Pension contributions paid	0	0-10
B Swan (staff trustee)	Remuneration	30-40	20-30
	Pension contributions paid	0-10	0-10
C Hawksworth (trustee)	Remuneration	30-40	
	Pension contributions paid	0-10	

During the year ended 31 August 2018, travel and subsistence expenses totalling £203 (2017: £37) were reimbursed to 2 trustees (2017: 2 trustees).

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 2018 was £890 (2017: £1,008).

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

11 Tangible fixed assets

	Leasehold improvements £000	Motor Vehicles £000	Furniture and fixtures £000	Computer Equipment £000	Total £000
Cost					
At 1 September 2017	2,784	47	167	206	3,204
Additions	5	-	19	21	45
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	2,789	47	186	227	3,249
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 September 2017	542	10	120	176	848
Charge for the year	140	4	24	19	187
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	682	14	144	195	1,035
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2018	2,107	33	42	32	2,214
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	2,242	37	47	30	2,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12 Debtors

	2018 £000	2017 £000
Trade debtors	-	6
Other debtors	38	47
Prepayments and accrued income	46	63
VAT repayable	29	22
	<hr/>	<hr/>
	113	138
	<hr/>	<hr/>

St Anselm's College Edmund Rice Academy Trust

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

13 Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	24	66
Other taxation and social security	-	70
Other creditors	22	23
Accruals and deferred income	64	52
	<u>110</u>	<u>211</u>

Deferred income is made up of the following:

	2018 £000	2017 £000
Deferred income		
Deferred income at 1 September 2017	8	48
Resources deferred during the year	24	8
Amounts released from previous years	(8)	(48)
	<u>24</u>	<u>8</u>

At the balance sheet date the academy trust was holding funds received in respect of the school fund.

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

14 Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	492	133	(20)	(183)	-	422
Restricted funds						
General Annual Grant (GAG)	-	4,246	(4,429)	183	-	-
Other DfE/ESFA grants	-	74	(74)	-	-	-
Non-government income	-	277	(277)	-	-	-
Pension reserve	(936)	-	(92)	-	240	(788)
	<u>(936)</u>	<u>4,597</u>	<u>(4,872)</u>	<u>183</u>	<u>240</u>	<u>(788)</u>
Restricted funds						
DfE/ESFA capital grants	10	-	(10)	-	-	-
Capital expenditure from government grants	2,444	20	(77)	-	-	2,387
Capital expenditure from GAG	(98)	-	(100)	-	-	(198)
	<u>2,356</u>	<u>20</u>	<u>(187)</u>	<u>-</u>	<u>-</u>	<u>2,189</u>
Total restricted funds	<u>1,420</u>	<u>4,617</u>	<u>(5,059)</u>	<u>183</u>	<u>240</u>	<u>1,401</u>
Total of funds	<u>1,912</u>	<u>4,750</u>	<u>(5,079)</u>	<u>-</u>	<u>240</u>	<u>1,823</u>

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

14 Statement of funds (continued)

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

Unrestricted funds

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

During the year there has been a transfer of funds for the value of £183,000 between the restricted and unrestricted funds to fund the deficit arising in the restricted fund.

Restricted general funds

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and other funders.

Restricted fixed asset funds

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

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

14 Statement of funds (continued)

14 Statement of funds – prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains £000	Balance at 31 August 2017 £000
Unrestricted funds						
General Funds - all funds	497	132	(45)	(92)	-	492
Restricted funds						
General Annual Grant (GAG)	17	4,144	(4,225)	64	-	-
Other DfE/ESFA grants	-	80	(80)	-	-	-
Non-government income	-	321	(321)	-	-	-
Pension reserve	(1,173)	-	(98)	-	335	(936)
	<u>(1,156)</u>	<u>4,545</u>	<u>(4,724)</u>	<u>64</u>	<u>335</u>	<u>(936)</u>
Restricted funds						
On transfer from LA on conversion	6	-	(6)	-	-	-
DfE/ESFA capital grants	17	-	(7)	-	-	10
Capital expenditure from government grants	2,501	20	(77)	-	-	2,444
Capital expenditure from GAG	(28)	-	(98)	28	-	(98)
	<u>2,496</u>	<u>20</u>	<u>(188)</u>	<u>28</u>	<u>-</u>	<u>2,356</u>
Total restricted funds	1,340	4,565	(4,912)	92	335	1,420
Total of funds	<u>1,837</u>	<u>4,697</u>	<u>(4,957)</u>	<u>-</u>	<u>335</u>	<u>1,912</u>

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

15 Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	2,214	2,214
Current assets	424	83	-	507
Creditors due within one year	(2)	(83)	(25)	(110)
Provisions for liabilities and charges	-	(788)	-	(788)
	<u>422</u>	<u>(788)</u>	<u>2,189</u>	<u>1,823</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	2,356	2,356
Current assets	492	211	-	703
Creditors due within one year	-	(211)	-	(211)
Provisions for liabilities and charges	-	(936)	-	(936)
	<u>492</u>	<u>(936)</u>	<u>2,356</u>	<u>1,912</u>

St Anselm's College Edmund Rice Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2018

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

	2018	2017
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(329)	(260)
Adjustment for:		
Depreciation charges	187	189
Decrease in debtors	26	42
(Decrease)/increase in creditors	(101)	16
Capital grants from DfE and other capital income	(20)	-
Defined benefit pension scheme cost less contributions payable	67	72
Defined benefit pension scheme finance cost	24	26
Net cash (used in)/provided by operating activities	(146)	85

17 Analysis of cash and cash equivalents

	2018	2017
	£000	£000
Cash in hand	394	565
Total	394	565

St Anselm's College Edmund Rice Academy Trust

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

18 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 Mercer Limited. 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 the end of the financial year (2017: £54,061 payable).

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

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.
- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £558,254 (2017 - £530,071).

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

18 Pension commitments (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (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 2018 was £141,411 (2017 - £133,018), of which employer's contributions totalled £108,873 (2017 - £101,848) and employees' contributions totalled £32,538 (2017 - £31,170). The agreed contribution rates for future years are 12.5% for employers and 5.5% - 12.5% 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:

	2018	2017
Discount rate for scheme liabilities	2.80%	2.50%
Rate of increase in salaries	3.60%	3.70%
Rate of increase for pensions in payment / inflation	2.20%	2.20%
Inflation assumption (CPI)	2.10%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2018	2017
Retiring today	22.0 years	21.6 years
Males	24.8 years	24.7 years
Females		
Retiring in 20 years	25.0 years	24.2 years
Males	27.8 years	27.7 years
Females		

	At 31 August 2018 £000	At 31 August 2017 £000
--	---------------------------------	---------------------------------

Sensitivity analysis

+ 0.1% p.a. discount rate	2,385	2,320
+ 0.1% p.a. inflation	2,495	2,427
+ 0.1% p.a. pay growth	2,452	2,387
1 year increase in life expectancy	2,482	2,415

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

18 Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	859	753
Debt instruments	251	223
Property and other	541	461
	<hr/>	<hr/>
Total market value of assets	1,651	1,437
	<hr/>	<hr/>

The actual return on scheme assets was £86,000 (2017 - £102,000).

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

	2018 £000	2017 £000
Current service cost	(176)	(173)
Net interest cost	(22)	(24)
Administrative expenses	(3)	(2)
	<hr/>	<hr/>
Total	(201)	(199)
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening defined benefit obligation	2,373	2,139
Current service cost	176	173
Interest cost	60	45
Employee contributions	32	31
Actuarial (gains)/losses	(191)	21
Benefits paid	(11)	(36)
	<hr/>	<hr/>
Closing defined benefit obligation	2,439	2,373
	<hr/>	<hr/>

St Anselm's College Edmund Rice Academy Trust

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

18 Pension commitments (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,437	966
Interest income	38	21
Actuarial gains	49	356
Employer contributions	109	101
Employee contributions	32	31
Benefits paid	(11)	(36)
Administration expenses	(3)	(2)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,651	1,437
	<hr/>	<hr/>
	2018 £000	2017 £000
Total market value of assets	1,651	1,437
Present value of scheme liabilities - Funded	(2,439)	(2,373)
	<hr/>	<hr/>
Net pension obligation	(788)	(936)
	<hr/>	<hr/>

Contingent liability

On 26 October 2018, the High Court handed down its judgment in the case involving the Lloyds Banking Group's defined benefit pension schemes and the rights of members to equality of treatment in relation to pension benefits. The Court's ruling has made it clear that schemes should be amended to equalise benefits for men and women in respect of guaranteed minimum pension benefits. The extent to which the judgement crystallises additional liabilities of the Merseyside Pension Fund Local Government Pension Scheme is under consideration and any adjustment that may result is expected to be recognised in the 2018/19 financial year. At present, we are unable to quantify the financial effect of this.

19 Operating lease commitments

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	47	38
Between 1 and 5 years	113	-
After more than 5 years	450	-
	<hr/>	<hr/>
Total	610	38
	<hr/>	<hr/>

St Anselm's College Edmund Rice Academy Trust

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

20 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.

21 Related party transactions

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

Expenditure related party transactions for the year were:

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 Section 33.1A of FRS102. 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. Rent of £30k has been paid to Christian Brothers (2017 - £30k of notional rent treated as a donation).

During the year fees of £3,000 (2017: £3,000) were paid to the Catholic Children's Society, an entity in which Michael Redfearn is an unpaid trustee, in relation to well-being services for children. As at 31 August 2018 £Nil (2017: £Nil) was outstanding.

During the year £4,210 (2017: £Nil) was paid to Edsential Community Interest Company, an entity in which Adrian Whitely is a Director, in relation to training for Governors. As at 31 August 2018 £Nil (2017: £Nil) was outstanding. A related party relationship did not exist in the prior year.

During the year £590 (2017: £Nil) was paid to Liverpool Hope University, an entity in which Charles Mills is a Director, in relation to training for Governors. As at 31 August 2018 £Nil (2017: £Nil) was outstanding. A related party relationship did not exist in the prior year.