

Company Registration Number: 07638417 (England & Wales)

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Congregation of Christian Brothers Br. B D Sassi Br. P J G Gordon J Greaves
Trustees	M Redfearn, Governor Cllr. G Davies, Governor R S Duggan, Headmaster and Accounting Officer J Greaves, Chair of Trustees P Green, Governor D McDonald, Governor A J Nelson, Governor Dr J Oates, Governor A R Wood, Governor E McNamara, Governor D O'Connor, Governor D Lynch, Governor N P Turner, Governor C J Cleugh, Governor C C Hawksworth, Staff Governor C Mills, Governor (resigned 16 June 2019) A Whiteley, Governor A Gaunt, Governor (appointed 1 September 2018) J Booth, Governor (appointed 29 October 2018)
Company registered number	07638417
Company name	St Anselm's College Edmund Rice Academy Trust
Principal and registered office	Manor Hill Birkenhead Merseyside CH43 1UQ
Company secretary	B P Morgan
Independent auditor	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers	Lloyds TSB Prenton Birkenhead Merseyside CH41 5BP
Solicitors	Howarth & Gallagher 39 Hamilton Square Birkenhead Merseyside

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. 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 and are also the directors of the charitable company for the purpose of company law.

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

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

b. Members' liability

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

c. Trustees' indemnities

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

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.

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TRUSTEES' REPORT (CONTINUED)
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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 2019**

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.

i. 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 2019 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. Ofsted reported in July 2019 that "Pupils' spiritual, moral, social and cultural development is a strength of the school. Pupils understand and value differences".

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 eighth period of operation and continues to achieve the forecast numbers of students. Total students in the year ended 31 August 2019 numbered 880 (2018: 907).

In summer 2019 the Academy achieved very good results in public examinations at A level surpassing targets and achieving an ALPS T score of 3, in the top 25% of 6th Forms nationally for progress from GCSE to A Level. The results were the best of any Boy's School and the 3rd best in the Wirral Local Authority. 57% of all GCE entries were graded at A* B, with a 99% pass rate. This exceeded targets and expectations. 4 Students secured places at the Universities of Oxford and Cambridge and another a place to study Medicine at the University of Liverpool. 38% 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 well-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 96% in 2019, well above the national average. 36% of all entries were at grades 7 - 9. 1 Student achieved 8 x grade 9s. Progress from age 11 - 16 was in line with expectations and national averages. The Progress 8 score of +0.02 represents reasonable value added from age 11 - 16 and the Attainment 8 score of 60.7 is well above the national average.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

The College addressed the attainment gap between disadvantaged pupils and others in 2018 with Disadvantaged students making good progress well above the national average, + 0.22. Progress in 2019 was not as good but still well above the national for Disadvantaged students (-0.26 : -0.44) and much better than that of Disadvantaged boys. Achievement in the 6th Form is very good as the 6th Form is fully inclusive in relation to access to 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 are good. Achievement has improved in A Level (GCE) Media Studies.

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, employing a School Improvement Adviser. The Academy was most recently inspected by Ofsted in July 2019 and was judged to be a good school in all areas of the inspection.

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 2019 Ofsted Report, although there remains room for continued improvement and progress.

b. Key performance indicators

The Academy held fund balances at 31 August 2019 of £751,000 (2018: £1,823,000) comprising £266,000 (2018 £NIL) deficit of restricted funds and £474,000 (2018: £422,000) surplus of unrestricted general funds. Of the restricted funds, £2,079,000 (2018: £2,189,000) is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,536,000 (2018: £788,000) in deficit.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In year under review, £474,000 (2017: £422,000) 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 2019 were 880 (2018: 907).

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 92.30%, compared to 86.13% in 2018.

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.

c. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019 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 2019, total expenditure of £5,149,000 (2018: £5,079,000) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £Nil (2018: £Nil).

At 31 August 2019 the net book value of fixed assets was £2,100,000 (2018: £2,214,000). 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 £474,000 (2018: £422,000) (total funds less the amount held in fixed assets and restricted funds) exceeds this figure.

There is a pension fund deficit within restricted funds of £1,536,000 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.

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TRUSTEES' REPORT (CONTINUED)
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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 political and economic climate and financial environment and risk to some extent has been reduced by the commitment of the Government to fund Years 7 through to 11 at a minimum of £5000 per pupil. This increase will be effective from September 2020.

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

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

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.

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 maintain 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, underpinned by recent Inspection Reports in 2019. 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 during the year 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, French, Media Studies and

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TRUSTEES' REPORT (CONTINUED)
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Psychology. 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.

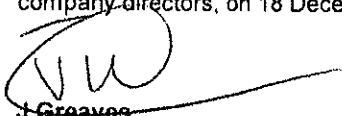
The drive for excellence is evident in many aspects of College life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is effective in the way that all staff work to share best practice within school and fulfil the College's moral imperative to improve the quality of learning in this community, paying heed to local, national and international developments. See Ofsted report July 2019 for external validation.

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 18 December 2019 and signed on its behalf by:


J. Groaves
Chair of Trustees

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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.

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GOVERNANCE STATEMENT (CONTINUED)

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	1	3
R S Duggan, Headmaster and Accounting Officer	3	3
J Greaves, Chair of Trustees	3	3
P Green, Governor	3	3
D McDonald, Governor	2	3
A J Nelson, Governor	1	3
Dr J Oates, Governor	1	3
A R Wood, Governor	2	3
E McNamara, Governor	3	3
D O'Connor, Governor	1	3
D Lynch, Governor	3	3
N P Turner, Governor	2	3
C J Cleugh, Governor	3	3
C C Hawksworth, Staff Governor	2	3
C Mills, Governor	1	2
A Whiteley, Governor	2	3
A Gaunt, Governor	1	2
J Booth, Governor	2	2

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

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 spend 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J S Greaves	3	6
R S Duggan, Principal Accounting Officer	5	6
C Cleugh	4	6
D McDonald, Chair	5	6
A J Nelson	2	6
D O'Connor	5	6
N Turner	5	6

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Robust governance and oversight of Academy finances

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

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

The Finance and 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.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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.

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.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Kerrie Spiby, the Business Manager for Upton Hall School, to perform a peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. A review is scheduled to be performed in due course by the officer as advised to the Department for Education on the 19th of November 2019.

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;
- 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 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 18 December 2019 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 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, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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
Date:

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who 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 Academies Accounts Direction published by the Education & 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:

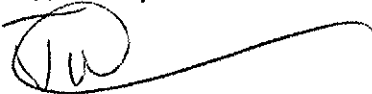
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 18 December 2019 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 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 United Kingdom, including the Financial Reporting Council'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 (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 including 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 (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine 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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Helen Knowles (senior statutory auditor)

for and on behalf of

BDO LLP

5 Temple Square

Temple Street

Liverpool

L2 5RH

Date: 19.12.19

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 & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Anselm's College Edmund Rice Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Anselm's College Edmund Rice Academy Trust and the 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 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 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.

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 & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountant
Liverpool
United Kingdom

Date: 19.12.19

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 2019

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:					
Donations and capital grants	2	1	20	70	91
Charitable activities	3	63	4,473	-	4,536
Other trading activities	4	13	3	-	16
Total income	77	4,496	70	4,643	4,750
Expenditure on:					
Raising funds	5	1	40	-	41
Charitable activities	5	24	4,904	180	5,108
Total expenditure	25	4,944	180	5,149	5,079
Net movement in funds before other recognised gains/(losses)	52	(448)	(110)	(506)	(329)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	19	-	(566)	-	(566)
Net movement in funds	52	(1,014)	(110)	(1,072)	(89)
Reconciliation of funds:					
Total funds brought forward	422	(788)	2,189	1,823	1,912
Net movement in funds	52	(1,014)	(110)	(1,072)	(89)
Total funds carried forward	474	(1,802)	2,079	751	1,823

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 58 form part of these financial statements.

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07638417

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	11	2,100	2,214
		<u>2,100</u>	<u>2,214</u>
Current assets			
Debtors	12	119	113
Cash at bank and in hand		168	394
		<u>287</u>	<u>507</u>
Creditors: amounts falling due within one year	13	(100)	(110)
Net current assets		<u>187</u>	<u>397</u>
Total assets less current liabilities		<u>2,287</u>	<u>2,611</u>
Net assets excluding pension liability		<u>2,287</u>	<u>2,611</u>
Defined benefit pension scheme liability	19	(1,536)	(788)
Total net assets		<u><u>751</u></u>	<u><u>1,823</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	14	2,079	2,189
Restricted income funds	14	(266)	-
		<u>1,813</u>	<u>2,189</u>
Restricted funds excluding pension asset	14	1,813	2,189
Pension reserve	14	(1,536)	(788)
Total restricted funds	14	<u>277</u>	<u>1,401</u>
Unrestricted income funds	14	<u>474</u>	<u>422</u>
Total funds		<u><u>751</u></u>	<u><u>1,823</u></u>

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



J Greaves
Chair of Trustees

The notes on pages 29 to 58 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 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	16	(230)	(146)
Cash flows from investing activities	17	4	(25)
Change in cash and cash equivalents in the year		(226)	(171)
Cash and cash equivalents at the beginning of the year		394	565
Cash and cash equivalents at the end of the year	18	<u>168</u>	<u>394</u>

The notes on pages 29 to 58 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 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Anselm's College Edmund Rice Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 grants 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.

The School received a deed of variation dated 11 April 2013 relating to its Funding Agreement. Clause 78 of the Funding Agreement has been deleted and replaced with the following clause.

At the beginning of any Academy Financial Year the Academy Trust may hold unspent GAG from previous Academy financial years amounting to such percentage (if any) as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust prior to the beginning of that Academy Financial year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amount for such purpose, or subject to such restriction on its use, as for the time being specified in the Academies Financial Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust.

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

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

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 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. 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:

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

The Trust separately identifies the major components of its schools buildings and charges depreciation so as to write-down the cost of each component to its estimated residual value, over its expected useful life.

The useful lives are as follows:

Structure	-	30 years
Boilers	-	12 years
Bathrooms	-	15 years
Furniture and fixtures	-	20% straight line
Motor vehicles	-	10% straight line
Computer equipment	-	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. 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.

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.

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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 bases 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 cost 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 instrument. 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.

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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 the 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.

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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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 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.

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2. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	1	20	-	21
Capital Grants	-	-	70	70
	<u>1</u>	<u>20</u>	<u>70</u>	<u>91</u>

	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Donations	28	-	28
Capital Grants	-	20	20
	<u>28</u>	<u>20</u>	<u>48</u>

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3. Funding for Academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Totals funds 2018 £000
DFE/ESFA grants				
General Annual Grant (GAG)	-	4,116	4,116	4,246
Other DYE/ESFA grants	-	111	111	74
	-	4,227	4,227	4,320
Other government grants				
Local authority grants	-	43	43	35
	-	43	43	35
Other funding				
School fund income	-	203	203	220
Income from provision of other services	61	-	61	86
Insurance receipts	2	-	2	28
	63	203	266	334
2019	63	4,473	4,536	4,689
Total 2018	122	4,567	4,689	

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	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Totals funds 2017 £000
DFE/ESFA grants				
General Annual Grant (GAG)	-	4,246	4,246	4,142
Other DYE/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
2018	122	4,567	4,689	4,594
Total 2017	87	4,507	4,594	

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NOTES TO THE FINANCIAL STATEMENTS
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4. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Catering income	-	2	2
Sales of goods and services	5	1	6
Hire of facilities	8	-	8
Net income from trading activities	13	3	16

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Catering income	-	2	2
Sale of goods and services	5	-	5
Hire of facilities	6	-	6
	11	2	13

5. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Expenditure on raising funds:				
Direct costs	-	-	41	41
Academy's Educational operations:				
Direct costs	3,227	171	341	3,739
Allocated support costs	572	373	424	1,369
	3,799	544	806	5,149

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NOTES TO THE FINANCIAL STATEMENTS
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5. Expenditure (continued)

The Academy's educational operations expenditure above totalling £5,149,000 (2018: £5,079,000) included £4,944,000 (2018: £4,872,000) of restricted funds, £25,000 (2018: £20,000) of unrestricted funds and £180,000 (2018: £187,000) of restricted fixed asset funds.

	Staff Costs	Premises	Other	Total
	2018	2018	2018	2018
	£000	£000	£000	£000
Expenditure on raising funds:				
Direct costs	-	-	41	41
Academy's Educational operations:				
Direct costs	3,194	190	391	3,775
Allocated support costs	463	353	447	1,263
	<u>3,657</u>	<u>543</u>	<u>879</u>	<u>5,079</u>

The Academy's educational operations expenditure above totalling £5,079,000 (2017: £4,957,000) included £4,872,000 (2017: 4,724,000) of restricted funds, £20,000 (2017: £45,000) of unrestricted funds and £187,000 (2017: £188,000) of restricted fixed asset funds.

6. Analysis of expenditure by activities

	Direct costs	Support costs	Total funds
	2019	2019	2019
	£000	£000	£000
Charitable activities	3,739	1,369	5,108
	<u>3,739</u>	<u>1,369</u>	<u>5,108</u>

	Direct costs	Support costs	Total funds
	2018	2018	2018
	£000	£000	£000
Charitable activities	3,775	1,263	5,038
	<u>3,775</u>	<u>1,263</u>	<u>5,038</u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities	Total	Total
	2019	funds	funds
	£000	2019	2018
		£000	£000
Staff costs	572	572	463
Depreciation	9	9	10
Governance costs	63	63	23
Technology costs	32	32	31
Other	321	321	394
Premises Costs	372	372	342
	<u>1,369</u>	<u>1,369</u>	<u>1,263</u>

7. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£000	£000
Depreciation of tangible fixed assets - owned by the charity	180	187
Auditors' remuneration - audit	10	10
Auditors' remuneration - other services	5	7
Operating lease rentals	<u>42</u>	<u>56</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and Salaries	2,857	2,790
Social security costs	287	278
Pension costs	609	508
	<u>3,753</u>	<u>3,576</u>
Agency staff costs	46	63
Staff restructuring costs	-	18
	<u>3,799</u>	<u>3,657</u>

Staff restructuring costs comprise:

		2018
		£000
Redundancy payments	-	10
Other restructuring costs	-	8
	<u>-</u>	<u>18</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	49	55
Administration and support staff	27	26
Management	6	6
	<u>82</u>	<u>87</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £110,001 - £120,000	1	1

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 employer's pension contributions for these staff amounted to £48,789 (2018: £39,063).

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contribution and employer national insurance contribution) received by key management personnel for their services to the academy trust was £626,367 (2018: £627,677).

9. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£000	£000
R S Duggan, Headmaster and trustee	Remuneration	110 - 120	110 - 120
	Pension contributions paid	10 - 20	10 - 20
A R Wood, Governor	Remuneration	0-10	0-10
	Pension contributions paid	30-40	30-40
C C Hawsworth, Staff Governor	Remuneration	0-10	0-10
	Pension contributions paid	30-40	30-40
J Booth, Governor (appointed 29 October 2018)	Remuneration	0-10	0-10
	Pension contributions paid	0-10	0-10

During the year ended 31 August 2019, travel and subsistence expenses totalling £37 (2018: £203) were reimbursed to 2 trustees (2018: 2 trustees).

Other related party transactions involving the trustees are set out in note 22.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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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 2019 was £875 (2018 - £890).

11. Tangible fixed assets

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	2,789	186	227	47	3,249
Additions	11	34	21	-	66
At 31 August 2019	<u>2,800</u>	<u>220</u>	<u>248</u>	<u>47</u>	<u>3,315</u>
Depreciation					
At 1 September 2018	682	144	195	14	1,035
Charge for the year	141	20	14	5	180
At 31 August 2019	<u>823</u>	<u>164</u>	<u>209</u>	<u>19</u>	<u>1,215</u>
Net book value					
At 31 August 2019	<u>1,977</u>	<u>56</u>	<u>39</u>	<u>28</u>	<u>2,100</u>
At 31 August 2018	<u>2,107</u>	<u>42</u>	<u>32</u>	<u>33</u>	<u>2,214</u>

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12. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	3	-
Other debtors	24	38
Prepayments and accrued income	80	46
VAT recoverable	12	29
	119	113
	119	113

13. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	13	24
Other creditors	18	22
Accruals and deferred income	69	64
	100	110
	100	110
	24	8
Deferred income at 1 September 2018	24	8
Resources deferred during the year	59	24
Amounts released from previous periods	(35)	(8)
	48	24
	48	24

At the balance sheet date the academy trust was holding funds received in respect of the school fund and Local Authority grant income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Funds	422	77	(25)	-	474
Restricted general funds					
General Annual Grant (GAG)	-	4,116	(4,389)	-	(273)
Other Dfe/ESFA grants	-	111	(85)	-	26
Other restricted income	-	269	(288)	-	(19)
Pension reserve	(788)	-	(182)	(566)	(1,536)
	<u>(788)</u>	<u>4,496</u>	<u>(4,944)</u>	<u>(566)</u>	<u>(1,802)</u>
Restricted fixed asset funds					
Capital expenditure from Government grants	2,387	70	(87)	-	2,370
Capital expenditure from GAG	(198)	-	(93)	-	(291)
	<u>2,189</u>	<u>70</u>	<u>(180)</u>	<u>-</u>	<u>2,079</u>
Total Restricted funds	<u>1,401</u>	<u>4,566</u>	<u>(5,124)</u>	<u>(566)</u>	<u>277</u>
Total funds	<u><u>1,823</u></u>	<u><u>4,643</u></u>	<u><u>(5,149)</u></u>	<u><u>(566)</u></u>	<u><u>751</u></u>

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 no transfer of funds 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.

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14. Statement of funds (continued)

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.

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	492	133	(20)	(183)	-	422
Restricted general funds						
Other Dfe/ESFA grants	-	4,246	(4,429)	183	-	-
Other restricted income	-	74	(74)	-	-	-
Non-government income	-	277	(277)	-	-	-
Pension reserve	(936)	-	(92)	-	240	(788)
	(936)	4,597	(4,872)	183	240	(788)
Restricted fixed asset funds						
Dfe/ESFA capital grants	10	-	(10)	-	-	-
Capital expenditure from government grants	2,444	20	(77)	-	-	2,387

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14. Statement of funds (continued)

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Capital expenditure from GAG	(98)	-	(100)	-	-	(198)
	2,356	20	(187)	-	-	2,189
Total Restricted funds	1,420	4,617	(5,059)	183	240	1,401
Total funds	1,912	4,750	(5,079)	-	240	1,823

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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	2,100	2,100
Current assets	462	(175)	-	287
Creditors due within one year	12	(91)	(21)	(100)
Provisions for liabilities and charges	-	(1,536)	-	(1,536)
Total	474	(1,802)	2,079	751

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	-	-	2,214	2,214
Current assets	424	83	-	507
Creditors due within one year	(2)	(83)	(25)	(110)
Provisions for liabilities and charges	-	(788)	-	(788)
Total	422	(788)	2,189	1,823

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16. Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£000	£000
Net expenditure for the year (as per statement of financial activities)	(506)	(329)
Adjustments for:		
Depreciation charges	180	187
Decrease/(increase) in debtors	(6)	26
(Decrease)/increase in creditors	(10)	(101)
Capital grants from DfE and other capital income	(70)	(20)
Defined benefit pension scheme cost less contributions payable	158	67
Defined benefit pension scheme finance cost	24	24
Net cash used in operating activities	(230)	(146)

17. Cash flows from investing activities

	2019	2018
	£000	£000
Purchase of intangible assets	(66)	(45)
Capital grants from DfE Group	70	20
Net cash provided by/(used in) investing activities	4	(25)

18. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	168	394
Total cash and cash equivalents	168	394

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19. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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19. Pension commitments (continued)

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 review of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates were set at 16.48% of pensionable pay (including the additional 0.08% employer administration charge). As a result of recent valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- 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%.
- an employer cost cap of 15.1% of pensionable pay will be applied to future valuations

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19. Pension commitments (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Total contributions paid to TPS in the period amounted to £566,667 (2018 - £558,848) of which employers contributions totalled £356,660 (2018 - £352,633) and employees contributions totalled £210,007 (2018 - £206,215).

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

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £125,430 (2018 - £141,411), of which employer's contributions totalled £91,692 (2018 - £108,873) and employees' contributions totalled £ 33,738 (2018 - £32,538). The agreed contribution rates for future years are 18.6 per cent for employers and 5.5-12.5 per cent 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.

ST ANSELM'S COLLEGE EDMUND RICE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments (continued)

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

The LGPS scheme currently shows a deficit of £1,536,000 (2018: £788,000). The Academy Trust has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels over a period of 16 years. Deficit funding contributions of £1,842 (2018: £1,775) per month are payable by the Academy Trust as required by the Schedule of Contributions.

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19. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.1	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2	2.1
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:

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.2	22.0 years
Females	25.0	24.8 years
<i>Retiring in 20 years</i>		
Males	25.2	25.0 years
Females	27.9	27.8 years

Sensitivity analysis

	At 31	2018
	August 2019	£000
	£000	£000
+ 0.1% p.a discount rate	3,305	2,385
+ 0.1% p.a inflation	3,457	2,495
+ 0.1% p.a pay growth	3,397	2,452
1 year increase in life expectancy	3,440	2,482

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19. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	At 31 August 2018 £000
Equities	942	859
Property and other	612	541
Debt instruments	290	251
Total market value of assets	1,844	1,651

The actual return on scheme assets was £83,000 (2018 - £86,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	2018 £000
Current service cost	(167)	(176)
Net interest cost	(21)	(22)
Administrative expenses	(3)	(3)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(104)	-
Total amount recognised in the Statement of financial activities	(295)	(201)

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

	2019 £000	2018 £000
Opening defined benefit obligation	2,439	2,373
Current service cost	167	176
Interest cost	69	60
Employee contributions	34	32
Actuarial (gains)/losses	601	(191)
Benefits paid	(34)	(11)
Past service costs	104	-
Closing defined benefit obligation	3,380	2,439

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019	2018
	£000	£000
Opening fair value of scheme assets	1,651	1,437
Interest income	48	38
Actuarial gains	35	49
Employer contributions	113	109
Employee contributions	34	32
Benefits paid	(34)	(11)
Administrative expenses	(3)	(3)
At 31 August	1,844	1,651

20. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Within 1 year	47	47
Between 1 and 5 years	96	113
After more than 5 years	420	450
	563	610

21. Members' liability

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

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22. 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 (2018 - £30k).

During the year, £300 (2018: £Nil) was paid to Anselmians RUFC for advertising.

During the year, the academy received cash donations amounting to £240 from Denise Lynch, Emma Mcnamara, Diana O'Connor and Andrea Gaunt, who are governors at the academy.

During the year fees of £4,100 (2018: £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 2019 £Nil (2018 £Nil) was outstanding.

During the year £8,486 (2018: £4,210) 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 2019 £Nil (2018: £Nil) was outstanding. A related party relationship did not exist in the prior year.

During the year £Nil (2018: £590) 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 2019 £Nil (2018: £Nil) was outstanding. A related party relationship did not exist in the prior year.