



Bosco Catholic Education Trust

For the Year ended 31 August 2018

Registered Company number 10573272

Bosco Catholic Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number:
10573272 (England and Wales)

Period of account

01/09/2017 - 31/08/2018

Charity registration numbers

Not applicable

Bosco Catholic Education Trust

Contents

	Page
Reference and Administrative Details	4
Trustees' Report	5
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	23
Statement of Financial Activities incorporating Income & Expenditure Account	24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	28
Other Notes to the Financial Statements	33

Bosco Catholic Education Trust

Reference and Administrative Details

Members

Bishop R Moth
M Ryan
C Roycroft

Trustees

Appointment Date

M Farrell (Chair)	
F Brotherton	
K Hallam	
P Burgess	
Father D George	
A Moffatt	09/07/2018
D Carter (Headteacher and accounting officer)	
J Alcorn(Chief Financial Officer)	
Resignation: K Crees	02/11/2018

Senior Leadership Team:

- | | |
|--|-----------|
| • Headteacher | D Carter |
| • Deputy Head | A Clarke |
| • Assistant Head | A Collyer |
| • Assistant Head | L Hogan |
| • Assistant Head | N McNeil |
| • Assistant Head | T Hulse |
| • Director of finance and administration | J Alcorn |

Company Name

Bosco Catholic Education Trust

Principal and Registered Office

St Philip Howard Catholic School
Elm Grove South
Barnham
West Sussex PO22 0EN

Company Registration Number

10573272 (England and Wales)

Independent Auditor

Sheen Stickland
7 East Pallant
Chichester PO19 1TR

Bankers

Lloyds Bank
10 East Street
Chichester PO19 1HJ

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Bosco Catholic Education Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Trustees' report under company law.

The Trust currently operates two academies - one academy for pupils aged 11 to 18 which has a pupil capacity of 1053 and had a roll of 1038 in the school census on 5th October 2018 and one academy for pupils aged 4 to 11 which has a pupil capacity of 315 and had a roll of 283 in the school census on 5th October 2018. The Trust serves a catchment area in the coastal area of West Sussex.

Structure, Governance and Management

Constitution

The Academy Order was signed on the 19th January 2017 and opened on the 1st April 2017. The academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust. The Trustees of Bosco Catholic Education Trust are also the Trustees of the charitable company for the purposes of company law. The charitable company is known as Bosco Catholic Education Trust, also trading as St Philip Howard Catholic School and St Mary's Catholic Primary School.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 2.

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.

Trustees' Indemnities

In accordance with The Companies Act 2006, we confirm that that our Trustees are covered under the government risk protection arrangement for third party indemnities.

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are appointed under the terms of the Articles of Association point 45A. There must be at least three Trustees, but there is no maximum. The Board of Trustees must meet at least three times per annum.

Trustees are subject to retirement after a term of 4 years. After the term they may, if still eligible, be reappointed or re-elected. The Board of Trustees annually reviews its effectiveness and skills set and recommends the recruitment and appointment as a result of this process.

All associated information can be accessed through the Articles of Association for the Trust Board, which has been produced under guidance from the Trust's solicitors.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees will be given a tour of the schools within the Multi Academy Trust and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction will be tailored to the individual needs of the new Trustee, whilst still following an agreed schedule of process.

New Trustees meet with the Chair to discuss the role in general and any specific skills they feel they have to offer.

Safeguarding is paramount and any new Trustee is subject to an enhanced DBS check, only once a satisfactory clearance has been achieved, will the Trustee be a full member of the board. Details of the check will be recorded in the Single Central Safeguarding record held at St Philip Howard Catholic School registered office of the MAT. All Trustees will receive safeguarding training at the beginning of their term of office and then bi-annually in September each year thereafter.

Details and background are given regarding the MAT and its staff. The induction pack is discussed and considered and Trustees receive guidance on visiting the academies. Each Trustee's needs are explored in terms of individual training requirements and relevant courses arranged. The expectation is that all Trustees will attend the courses recommended to them, failure to do so without a valid reason may require consultation with the Members of the Trust. Trustees will be required to fill in evaluation forms for all training attended.

Organisational Structure

The Board of Trustees is ultimately responsible to the Members and the Secretary of State for Education, for the performance of the Trust and its academies. The Trustees are responsible for the strategic direction of the Trust and have the ultimate decision making authority. This is exercised by the Trustees through strategic planning which details the vision, purpose and objectives of the Trust and setting of policy. It is managed through the Scheme of Delegation, business and financial planning, budget monitoring, performance management, the setting of standards and the implementation of quality assurance processes.

The Chief Accounting Officer implements the decisions of the Trustees and is responsible for the day to day operations of the Trust. The Chief Accounting Officer operates within the limits of their scheme of delegation and the Trust's policies and procedures as approved by the Trustees.

The management structure consists of three levels, the Trustees, Local Governing Body and the Leadership Team. The organisation of the Board of Trustees and its delegated powers are detailed in the Articles of Association and Scheme of Delegation that are reviewed annually.

In order to ensure financial scrutiny and oversight and effective internal control, the Trust has set up a finance and audit committee in the financial year 2018, it has the appropriate levels of delegation to undertake these functions. The finance and audit committee are responsible for monitoring the income and expenditure of the Trust and its academies, ensuring effective budgeting, reviewing the Trust's internal controls, systems of operation and compliance with legislation, policies and considering the internal audit checks undertaken by the Trust accountant, in accordance with an agreed schedule of inspections. These internal audit checks consider all aspects of the Trust's non-educational operations to ensure compliance with legislation and Trust policies and processes; recommendations are made if appropriate. During the financial year ending 31st August 2017, these duties had been undertaken by the Trust Board as the MAT had opened for the first time and the structures, policies and procedures have been evolved.

In order to ensure cohesion and proper systems, the headteacher of each academy is required to implement the policies and procedures laid down by the Trustees. The Trust monitors the activities of each academy through the provision of information to the Trust Board and the work of the Chief Accounting Officer and the Chief Financial Officer.

The Trust provides some central services and charges. Each academy must use the Trust's audited accounts and company secretarial services, financial accounting and budgeting software, recruitment, human resources, insurance, banking and payroll services. The Trust is a charity and all such services will be operated for the benefit of the academies on a cost basis. The Trust reserves the right to receive a contribution to these central costs from the academies.

The Trust is made up of:-

<u>Academy</u>	<u>Converted</u>
St Philip Howard Catholic	01/04/2017
St Mary's Catholic Primary School	01/04/2017

All assets and liabilities of each predecessor school were transferred upon conversion.

Risk Management

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the MAT and its finances.

The Trustees have implemented a number of systems to assess risks that the MAT faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, safeguarding, ICT, HR and academy trips) and in relation to the control of finance on an on-going basis. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. They have chosen the bank account and financial software that gives the most transparent method of accounting whilst still keeping the utmost security in place.

Arrangements for setting pay and remuneration of key management personnel

Together with the Chief Accounting Officer and the Chief Financial Officer, the senior management of the Trust and its academies are detailed in the reference and administrative section. The Trust has pay and appraisal policies for education and business staff in leadership roles. The education staff include Heads of School, Headteachers, and Executive Headteachers (where relevant). Their contracts are subject to the school teacher's pay and conditions as they are required to be qualified teachers and as such the pay ranges are set by reference to these conditions. In addition, their remuneration will reflect their responsibilities and accountability, professional expertise and nature and challenge of the role. The pay policy for non-educational staff reflects market benchmarking and the requirements of national pay and conditions. Once again pay ranges reflect responsibilities and accountability, professional expertise and nature and challenge of the role. The pay award for each individual is determined following a robust appraisal procedure which reflects the achievement of the previous year's objectives and the setting of new aspirational targets for the subsequent year, reflective of the Trust's strategic plan for that year. Senior management personnel are appraised by the Chief Accounting Officer to ensure consistency. The role of Chief Accounting Officer is at present a part time role and as such will be appraised within a business framework in addition to meeting the demands of teacher's pay and conditions. The appraisal will be undertaken by Trustees with business and educational experience. The Chief Accounting Officer will be appraised against the targets for the previous year and their remuneration will be set by the Chief Accounting Officer's appraisal committee, which will consider available market intelligence for similar roles. Future targets will be set by reference to the Trust action plan and will be aspirational to meet the future strategic plans of the Trustees. A remuneration committee consisting of Trustees considers any remuneration appeals of senior personnel.

Trade Union Facility Time

There are no union officials who worked at St Philip Howard or St Mary's during the financial year 18, therefore there has been no union facility time.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	143
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0.00
Provide the total pay bill	£4,937,145.38
Provide the percentage of the total pay bill spent on facility time, calculated as: (÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
--	----

Related Parties and other Connected Charities and Organisations

The Trust is an educational establishment currently consisting of two academies which operate independently in relation to the provision of education to the learners that attend the academy. The Trust provides certain central services such as human resources, accounting and budgeting software package, payroll, insurance, banking, external audit, central policies, central financial support, training and guidance.

The Trust comes under the jurisdiction of the Diocese of Arundel and Brighton and all works of the Trust reflect the Catholic nature of the school ethos and governance.

In order to maintain links with other schools within the diocese, the Chief Accounting Officer works regularly with the headteachers of these establishments, attending meetings, school events and so on, in order to nurture good relationships with those who may be interested in joining the MAT.

Objectives and Activities

Objects and Aims

The Trust's primary objective is the advancement of education in the United Kingdom for the public benefit. It must establish, maintain, carry on, manage and develop academies with a designated Roman Catholic Church religious character. The Trust aims to provide high quality education for all learners, free of charge, regardless of their starting point so that are able to reach their full potential.

Our Mission Statement is:

"The Bosco Catholic Education Trust is a Christ-centred family of Catholic academies, within the Diocese of Arundel and Brighton, working together as one body to provide an outstanding education for all. As Catholic schools, we endeavour to develop confident, compassionate and faithful young people. Through partnership, collaboration and mutual support, we seek to enable all those entrusted to our care to become the person God called them to be."

Objectives, Strategies and Activities

The Trust's strategic objectives during the first full year of being open up to the the 31st August 2018, in partnership with its academies have been:-

- Support St Mary's Primary School in its road to improvement
- Build upon St Philip Howard's 'Outstanding' rating by Ofsted
- Produce a sound and stable financial basis for the MAT
- Seek funding to further the work of the Trust with other schools in the locality
- Assist with the implementation of the new curriculum/assessment criteria
- Develop a common framework for assessment which drives improvement for all learners
- Develop achieved teaching school status to work collaboratively with other schools

- Establish a firm basis of central services to enable other schools to join the MAT
- Provide high quality teaching and learning to all pupils
- Provide high quality training to improve and sustain good teaching throughout the academies

Public Benefit

The Trustees confirm that the activities of the Trust provide identifiable benefits, namely educational, which are in pursuance of the aims of the Trust. This benefit is available to young people aged from 4 to 19. The admission criteria of the academies is not duly restrictive and is in keeping with the religious aims of the Trust. Furthermore, the Trustees confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

Strategic Report

Achievements and Performance

St Mary's was served with an Academy Order in November 2016 and the Headteacher of St Philip Howard Catholic School was appointed Executive Headteacher to initiate an improvement in standards and facilitate the academy conversion process. Both schools were granted academy status in January 2017, with St Philip Howard School acting as sponsor in the newly formed MAT, named as Bosco Catholic Education Trust (after the 19th century Italian priest, St John Bosco, founder of the Salesian Order and a great educator of children).

Since its incorporation the multi-academy trust has been successful in securing funding to support St Mary's as a sponsored academy, as well as to build capacity for the future growth of the Trust. The Diocesan vision for Catholic multi-academy trusts, now allows for Bosco CET to expand, taking in schools who can offer expertise and capacity across Sussex.

St Mary's Catholic Primary School, Worthing

St Mary's is a 4-11 Catholic primary school with 283 students on roll. 52.3% of students are from ethnic minority groups and 46.6% have English as an additional language. Whilst mobility rates are relatively high, there is a 'no excuses' culture at the school, with the aspiration for all children to make significant progress and for the school to achieve a 'Good' outcome in its next Ofsted inspection. St Mary's vision is '*Striving for excellence in all that we do*'.

Leadership & Governance

A successful secondment of an Acting Headteacher, led to a substantive appointment in April 2018. Under the determined and energetic leadership of the new headteacher, St Mary's has made rapid progress in a short period of time. This is demonstrated in the results, standard of behaviour and quality of learning and teaching. The Acting Headteacher is supported by a mentor, the School Improvement Advisor, Diocese, and CAO. The Local Governing Committee is led by a new Chair of Governors and a school improvement board monitors progress on a termly basis.

Standards

In November 2015 the school was visited by Ofsted and graded a 'Inadequate'. Key areas of concern included the limited progress children were making in Reading, Writing and Maths, ineffective feedback and assessment in children's books and the lack of sufficient challenge from school governors. Since the inspection, these areas have been a focal point for the school to address, resulting in a change in leadership (both within the school and at governor body level), rigorous systems to monitor the effectiveness of feedback and assessment and a relentless focus on the quality of learning and teaching in the classroom. Where appropriate, school improvement advisers have been used, best practice evidenced in other schools and high quality inset provided for school staff. Significant changes have been made and these are beginning to bear fruit.

The percentage of children achieving the expected standard at the end of Key Stage 2 has risen in Reading, Writing, Maths, GPS and Combined. The percentage of children achieving greater depth at the end of Key Stage 2 has also risen in Reading, Writing, Maths and GPS as has the average scaled scores. Progress scores are now in line and above national which represents a significant improvement on prior years.

In year data for 2018-19 shows a continued improving trend compared to the same point last year with a target of 73% of children achieving the expected standard at the end of Key Stage 2 for Reading, Writing and Maths.

St Philip Howard Catholic School

SPH is a 11-18 Catholic secondary school with 1038 students on roll. It is rated as 'Outstanding' by Ofsted (April 2016), is over-subscribed, has a growing Sixth Form of 200 students and is regularly in the Top 20% of schools nationally for student performance.

Leadership & Governance

The CAO of the Trust continues as Headteacher of St Philip Howard Catholic School, although with a focus on building the necessary leadership capacity in school to ensure standards continue to be outstanding in all areas. The local governing committee has successfully recruited new governors to fill any vacancies and a robust programme of monitoring is in place to ensure that school leaders are held to account.

Standards

The Key Stage 4 GCSE results represented the best in the school's history despite a more challenging curriculum and assessment in English and Maths. A progress score of +0.72 places the school in the top 10% nationally and is the highest ranked school in West Sussex. Overall attainment was lower given the relative starting points of the students, with the percentage of students achieving 4+ in English and Maths dropping from 78% in 2017 to 74% in 2018. The aspiration remains to achieve a Progress 8 score of at least +1.0 and 90% in English and Maths.

Following greater rigour in teaching and learning, A Level results rose dramatically on all measures in 2018. A*-B grades increased from 44% to 60% and a progress score of 0.25 achieved. ALPS rated the outcomes as '2' which is graded as outstanding compared to nationally benchmarked data. We continue to look at the curriculum choice for students to ensure it is fit for purpose. We aim to grow the sixth form further to ensure financial viability and efficiency.

Teaching School

The Bosco Teaching School Alliance has had a fruitful first year in existence, having appointed a Teaching School Coordinator and working in close collaboration with Inspire Teaching School Alliance to build on existing good practices and cost share some central administration. Update for Schools Direct training continues to be high (bucking national trends), 15 CPD courses are offered jointly between the two teaching alliances and a successful bid to the Strategic School Improvement Fund has enabled the appointment of a Director of KS2 Maths. We currently support 4 primary schools in the local area to improve KS2 maths outcomes.

Key Performance Indicators

The MAT is developing a number of key performance indicators covering operational and financial activities. As it grows it will be better able to benchmark those activities, including budgets and expenditure, against a number of criteria, such as staff costs.

St Mary's Catholic Primary School

% reaching expected standard (KS2)	READING		WRITING		MATHS	
	School %	National %	School %	National %	School %	National %
ALL (2018)	63	75	72	78	63	76
<i>ALL (2017)</i>	<i>47</i>	<i>71</i>	<i>56</i>	<i>76</i>	<i>56</i>	<i>75</i>
GDS (2018)	18	28	10	20	10	24
<i>GDS (2017)</i>	<i>8</i>	<i>25</i>	<i>6</i>	<i>18</i>	<i>3</i>	<i>23</i>
Scaled score 2018	102	105	N/A	N/A	101	104
<i>Scaled score 2017</i>	<i>99</i>	<i>104</i>	<i>N/A</i>	<i>N/A</i>	<i>100</i>	<i>104</i>

Following the sponsorship and subsequent conversion of St Mary's by Bosco CET, there has been a 2 year improving trend on KS2 attainment. Whilst the starting remain low and consequently attainment remains below the national average, the aspiration remains to meet and exceed national standards.

KS2 Progress by Groups*	READING	WRITING	MATHS
National Floor standards	Above -5	Above -7	Above -5
St Mary's – 2018	+0.32	+1.31	+0.08
<i>St Mary's – 2017</i>	<i>-5.23</i>	<i>-7.08</i>	<i>-3.77</i>

Progress scores at KS2 have risen rapidly in the last year, demonstrating that from their starting points children are now being supported well in their learning and are making good progress.

St Philip Howard Catholic School

Key Stage 4 (FFT data)	2016	2017	2018*
% 5 9-4	84	81	76
% 5 9-4 (inc. E/M)	77	78	74
Attainment 8 (significance to national)	5.2 (Sig+)	5.3 (Sig+)	5.3 (Sig+)
Progress 8 (significance to national)	+0.46 (Sig+)	+0.36 (Sig+)	+0.72 (Sig+)
English and Maths Progress (significance to national)	+11% (Sig+)	+11% (Sig+)	+14% (Sig+)

*Data to be validated

On FFT data, provisional results at Key Stage 4 place the school in the top 10% for Progress and top 15% for attainment. English and Maths progress places the school in the top 8%

Key Stage 5 (ALPS data)	2016	2017	2018*
% A*/A	22	18	26

% A*/B	54	44	60
% A*/C	82	77	87
% A*/E	99	99	99
3-Year ALPS score	5	5	4
University progression	84%	87%	89%

**Data to be validated*

ALPS benchmarks the Sixth Form A Level grades against national data. A 3 year ALPS score of 4 is rated as 'good'. Within this there are subjects performing more highly than others.

Going Concern

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

Financial Review

The Trust received income into its Restricted General Fund and Fixed Asset funding during the 12 month period from 1st September 2017 to 31st August 2018. During our first full year of operating as an academy, we have continued to monitor spending closely, whilst at the same time building capacity within our staffing team to support other schools within the Diocese of Arundel & Brighton and beyond. We have maintained a healthy cashflow and operated within our means. The new software system, HCSS, is bedding in to the financial workings of the school, with regular training sessions being undertaken. The Trust's in-year surplus is £385,814. As at the 31/8/2018 the actual position of reserves is £1,378,494.

Restricted General Funds

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund Income from the year was £6,425,391, expenditure against the fund was £6,506,828, giving a restricted fund carry forward of £360,122 after transfers from the Restricted Fixed Fund.

Unrestricted Funds

Prior to conversion, both St Philip Howard and St Mary's Schools operated school fund accounts for the purposes of school trips, contributions etc. The income for unrestricted funds for the period 1st September 2017 to 31st August 2018 is £336,253.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

Income received into the fund solely made up of Devolved Formula Grant from the ESFA totalled £32,555. It has been used towards the CIF projects in both schools and the Chapel Project at St Philip Howard.

We were successful in bidding for CIF funding for both schools, we received £376,091 in total. St Philip Howard installed new security perimeter fencing and security gates and St Mary's installed a new boiler.

As of the 31st August the net book value of fixed assets was £902,206. As a Catholic Trust our buildings are owned by the Diocese and therefore have are not included for this purpose. The land at the St Philip Howard site is rented from West Sussex County Council for a peppercorn rent and again does not provide an asset for the purposes of this return.

Summary of Financial Performance

Total fund balance as at 31st August 2018 was £1,271,494 comprised of:

£45,122 Restricted General Funds

£956,307 Restricted Fixed Asset Funds

£270,065 Unrestricted General Funds

We have been informed there is no pension deficit for which we are liable, by West Sussex County Council.

Financial and Risk Management Objectives and Policies

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurance. The Board of Trustees has a comprehensive risk management process to identify and monitor the risks faced by the Trust. The financial risks considered include: economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

Reserves Policy

The Trust recognises the change in rationale and the nature of reserves which followed conversion from an LA maintained school. The purposes of reserves are to ensure the Academy operates as a going concern, and that it can provide sufficient working capital, cover unforeseen eventualities in line with risk management recommendations, and ensure capital maintenance both in the current financial year and in future years. The Trust will achieve this by building unrestricted funds and retaining income which is unrestricted as far as possible.

Over the next two years St Philip Howard is expected to continue to be full, however St Mary's is situated in Worthing which has falling rolls locally. To ensure sustainability for the school and its pupils, a restructure exercise is being undertaken to reduce the Pupil Admission Number from 45 to 30 from September 19, to achieve a more sustainable staffing structure. We have not received the full benefit of the National Funding Formula as yet, the amount we receive is expected to rise until 2020, when a proper analysis will be possible. Staffing costs continue to rise, the increase to school's teacher pension contributions, the support staff pay rise of 5% for a second year in a row and 3.5% for mainscale teachers, 2% for upper pay scale and 1.5% for leadership are a huge burden on school finances. The widely publicised government grant to cover this is woefully short, compensating schools with no more than 20% of the actual cost. With all this in mind, the Trust will continue to spend prudently, always using best value as it's benchmark and reducing waste. This will be aided by the continual drive for renewal energy sources and low voltage lighting etc. The Trust will practice a frugal approach to expenditure in this climate of change.

Investment Policy

Investment of surplus funds into a higher interest account is approved by the Trustees if and when this becomes appropriate and will be monitored by the Chief Financial Officer. The objective will be to hold funds at low risk. The Trust does not have any endowment funds.

Principal Risks and Uncertainties

The Multi Academy Trust has a comprehensive risk management process to identify and monitor the risks faced by the Trust. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Fundraising

Both academies within the Trust enter into fundraising activities to support local charities and enhance their income. They do this by:-

- A Parent Teacher Association
- Encouraging pupils to take initiative and to choose the charities they wish to support

- Organising functions whereby all stakeholders are invited to take part, concerts, school plays, raffles, non-uniform days, fetes, quiz nights, fun runs
- Fundraising events are reported to the local governing committees and monitored by them
- No complaints have been received to date
- We use school websites and pupil post and emails to inform stakeholders of events, but run a maximum of one per term to avoid financial pressure on our audience

Plans for Future Periods

Bosco Catholic Education Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment. A plan has been implemented to increase the size of the Trust at a manageable pace, with three schools expected to join in 2019 and no more than four schools per year from 2020 onwards, if demand is present and the financial stability of the Trust can continue to be assured.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities. The Trust plans to continue to increase the size of the sixth form provision at St Philip Howard and provide a range of subjects and qualifications to ensure every child gets the opportunities they need.

Funds held as Custodian Trustee on behalf of others

Neither the Trust, nor any of its employees act as a third party custodial trustee.

Auditor(s)

In so far as the Trustees are aware:-

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

The auditors, Sheen Stickland, were appointed following a process of due diligence.

Approved by order of the Trustees of Bosco Catholic Education Trust and signed on its behalf by:-

Signed



Martin Farrell
Chair of Trustees

Bosco Catholic Education Trust

Governance Statement

Governance Statement

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Bosco Catholic Education 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 Chief Executive as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management, and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bosco Catholic Education Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here, supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the period from 1st September 2017 to 31st August 2018. Attendance at meetings of the Board of Trustees during that period was as follows:

Trustee	Meetings Attended	Out of a possible
Martin Farrell, Chair	5	6
Fr Daryl George	3	6
Fergus Brotherton	6	6
Patrick Burgess	6	6
Kathe Hallam	5	6
Anthony Moffatt	1	3
David Carter CAO	6	6
Jill Alcorn CFO	5	6

The Board completed an interim evaluation of its effectiveness in the summer of 2018 and will complete this exercise in the winter of 2018/19

The Finance Committee

To consider and advise the Board on all aspects of the Trust's finances, financial policies, controls and strategy and to ensure sound management of the Company's finances and resources, proper planning, monitoring, probity and value for money.

Trustee	Meetings attended	Out of a possible
Martin Farrell	2	2
Kathie Hallam	2	2
David Carter CAO	2	2
Jill Alcorn CFO	2	2

The Audit and Finance Committee is also a sub-committee of the main board of Trustees. Its purpose is to advise the Board on matters relating to the Trust's finance and audit arrangements, risk, systems of internal control and to advise and aid the Board's responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year as follows:-

Trustee	Meetings Attended	Out of a possible
Patrick Burgess	1	1
Fergus Brotherton	1	1
David Carter	0	1
Jill Alcorn	1	1

Review of Value for Money

The Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Chief Executive understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Chief Executive considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved. Benchmarking data is utilised where available. The Chief Executive for the Trust has delivered improved value for money during the year as follows

Centralised:

- Training and Best Practice forums
- Supplier Contracts, developed or in course of development for schools e.g. Broadband, General building maintenance, Fire alarm maintenance, Grounds Maintenance
- Policy Development
- Network Management
- HR Support

Financial Governance and Oversight

Financial governance and oversight is strong. The Finance Trustee and the Chief Accounting Officer are qualified accountants. Financial assurance is further informed by regular review reports from the internal audits undertaken.

The Board of Trustees approve the budget following detailed scrutiny by the Finance, Human Resources, and Risk and Audit Committees.

The Finance Committee meet termly, where the management accounts and budget monitoring report are reviewed and discussed. In addition, the Committee considers larger expenditure items in accordance with the Trust's Scheme of Delegated Authority, and ensures compliance with the Trust's tender arrangements.

The Board of Trustees receives and approves the annual financial statements and the external auditor's management letter.

Better Purchasing

The Trust promotes fair competition through quotations and tenders, in accordance with its Financial Procedures Manual, to ensure that goods and services are procured in the most economic and effective way.

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 Company 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 Bosco Catholic Education Trust for the period 1st September 2017 to 31 August 2018 and up to the date of approval of this annual report and the financial statements

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. There is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period to 31 August 2018 and up to the date of approval of this annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Company'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. 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;
- Termly reviews by the Finance 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 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 agreed this is necessary. The internal audit will be undertaken by two Trustee members of the Audit and Risk Committee.

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

- Testing of purchases and payment processes
- Management reporting
- Testing bank and control account reconciliations
- Testing income
- Testing payroll processes
- Testing inventory and assets recorded

On a regular basis, the internal auditor reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

Review of effectiveness

The Chief Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

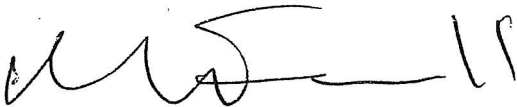
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Chief Executive has been advised of the implications of the result of these review of the system of internal control by the relevant Trust Committees.

Approved by order of the Board of Trustees

On 29th November 2018

and signed on its behalf by:



Martin Farrell

Chair

Date 18th December 2018

Bosco Catholic Education Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Bosco Catholic Education Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

Signed

A handwritten signature in black ink, appearing to read 'Dave Carter', with a stylized flourish at the end.

Dave Carter

Accounting Officer

Date

Bosco Catholic Education Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Bosco Catholic Education Trust and are also the Trustees of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 29th November 2018 and signed on its behalf by:

Signed:



Martin Farrell
Chair of Trust Board
Date: 18th December 2018

Bosco Catholic Education Trust

Independent Auditor's Report on the Financial Statements to the Members of Bosco Catholic Education Trust

Opinion

We have audited the financial statements of Bosco Catholic Education Trust (the 'academy trust') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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' and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

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 Report of the Independent Auditors thereon.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

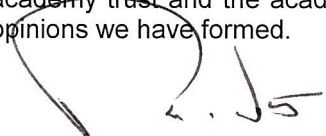
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.


P E H Wright FCA DChA (Senior Statutory Auditor)
for and on behalf of Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 18 December 2018

Bosco Catholic Education Trust

Independent Reporting Accountant's Assurance Report on Regularity to Bosco Catholic Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30th October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bosco Catholic Education Trust during the period 1st September 2017 to 31st August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bosco Catholic Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bosco Catholic Education Trust and the 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 Bosco Catholic Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bosco Catholic Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bosco Catholic Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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 trust's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st September 2017 to 31st August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Sheen Stickland

Date: *18 December 2018*

Bosco Catholic Education Trust

Statement of Financial Activities for the Year Ended 31 August 2018

		Year Ended 31.8.18				Period 19.1.17 to 31.8.17
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds as restated £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	14,352	178,482	489,114	681,948	98,985
Transfer from Local Authority on conversion		-	-	-	-	281,430
Charitable activities						
Funding for the academy's educational operations	4	-	5,681,064	-	5,681,064	2,670,201
Other trading activities	5	321,504	565,802	-	887,306	68,510
Investment income	6	397	43	-	440	78
Total		336,253	6,425,391	489,114	7,250,758	3,119,204
EXPENDITURE ON Charitable activities						
Academy's educational operations		201,125	6,506,828	203,991	6,911,944	2,543,524
NET INCOME		135,128	(81,437)	285,123	338,814	575,680
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	372,000	-	372,000	(15,000)
Net movement in funds		135,128	290,563	285,123	710,814	560,680
RECONCILIATION OF FUNDS						
As previously reported		134,937	263,559	671,184	1,069,680	-
Prior year adjustment	12	-	(509,000)	-	(509,000)	-
As Restated		134,937	(245,441)	671,184	560,680	-
TOTAL FUNDS CARRIED FORWARD		270,065	45,122	956,307	1,271,494	560,680

The notes form part of these financial statements

Bosco Catholic Education Trust (Registered number: 10573272)

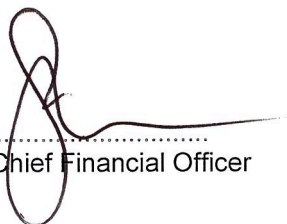
Statement of Financial Position At 31st August 2018

	Notes	2018 £	2017 as restated £
FIXED ASSETS			
Tangible assets	13	902,206	642,748
CURRENT ASSETS			
Debtors	14	136,124	80,410
Cash at bank		<u>769,107</u>	<u>353,545</u>
		905,231	433,955
CREDITORS			
Amounts falling due within one year	15	(220,943)	(7,023)
NET CURRENT ASSETS		<u>684,288</u>	<u>426,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,586,494	1,069,680
PENSION LIABILITY	20	(315,000)	(509,000)
NET ASSETS		<u>1,271,494</u>	<u>560,680</u>
FUNDS	19		
Unrestricted funds		270,065	134,937
Restricted funds		<u>1,001,429</u>	<u>425,743</u>
TOTAL FUNDS		<u>1,271,494</u>	<u>560,680</u>

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:



.....
D Carter -Principal and Accounting Officer



.....
J Alcorn -Chief Financial Officer

The notes form part of these financial statements

Bosco Catholic Education Trust

Statement of Cash Flows for the Year Ended 31st August 2018

	Notes	Year Ended 31.8.18 £	Period 19.1.17 to 31.8.17 as restated £
Cash flows from operating activities:			
Cash generated from operations	1	<u>878,572</u>	<u>353,467</u>
Net cash provided by (used in) operating activities		<u>878,572</u>	<u>353,467</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(463,450)	-
Interest received		<u>440</u>	<u>78</u>
Net cash provided by (used in) investing activities		<u>(463,010)</u>	<u>78</u>
Change in cash and cash equivalents in the reporting period		<u>415,562</u>	<u>353,545</u>
Cash and cash equivalents at the beginning of the reporting period		<u>353,545</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>769,107</u>	<u>353,545</u>

The notes form part of these financial statements

Bosco Catholic Education Trust

Notes to the Statement of Cash Flows for the Year Ended 31st August 2018

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.8.18 £	Period 19.1.17 to 31.8.17 as restated £
Net income for the reporting period (as per the statement of financial activities)	338,814	575,680
Adjustments for:		
Depreciation	203,991	74,682
Transfer from Local Authority on conversion	-	(281,430)
Interest received	(440)	(78)
Increase in debtors	(55,714)	(80,410)
Increase in creditors	213,921	7,023
Defined benefit pension scheme cost less contributions payable	<u>178,000</u>	<u>58,000</u>
Net cash provided by (used in) operating activities	<u>878,572</u>	<u>353,467</u>

Bosco Catholic Education Trust

Notes to the Financial Statements for the Year Ended 31st August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Bosco Catholic Education Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the Academy Trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

1. ACCOUNTING POLICIES - continued

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs 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 the 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'.

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

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.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All assets costing more than £5,000 (2017: £2,000) are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

When 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.

Depreciation is provided at rates calculated to write off the cost of fixed assets on a straight line basis over their expected useful lives as follows:

Office Equipment	25%
Computer Equipment	25%

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

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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy Trust 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

Provisions are recognised when the academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

The Trust sells uniform at cost to the parents and only holds a small amount at any one time.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

1. ACCOUNTING POLICIES - continued

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education and local authority- West Sussex County Council .

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 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.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2017 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 Directors have sought assurances from West Sussex to confirm there is no pension deficit currently for LGPS and will continue to monitor the situation. Mismanagement of this pension fund would have an extreme detrimental effect on the finances of the Trust.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

3. DONATIONS AND CAPITAL GRANTS

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17 as restated
	£	£
Gift aid	20,467	49,900
Legacies	120,000	-
Capital grants	489,114	28,436
Other donations	<u>52,367</u>	<u>20,649</u>
	<u>681,948</u>	<u>98,985</u>

Income from donations and capital grants was £681,948 of which £14,352 was attributable to unrestricted funds, £178,482 was attributable to restricted general funds and £489,114 was attributable to restricted fixed asset funds.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Year Ended 31.8.18 Total funds	Period 19.1.17 to 31.8.17 Total funds as restated
	£	£	£	£
General Annual Grant (GAG)	-	5,449,662	5,449,662	2,478,295
Pupil Premium	-	107,469	107,469	23,657
Local Authority Grants	-	123,933	123,933	168,249
	-	<u>5,681,064</u>	<u>5,681,064</u>	<u>2,670,201</u>

5. OTHER TRADING ACTIVITIES

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17 as restated
	£	£
Hire of facilities	17,313	60,550
Educational visits/transport	712,870	3,853
Insurance	-	3,391
Other	157,123	716
	<u>887,306</u>	<u>68,510</u>

6. INVESTMENT INCOME

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17 as restated
	£	£
Deposit account interest	<u>440</u>	<u>78</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

7. EXPENDITURE

	Year Ended 31.8.18			Period 19.1.17 to 31.8.17
	Staff costs	Non-pay expenditure Premises	Other costs	Total
	£	£	£	£
Charitable activities				
Academies educational operations				
Direct costs	5,126,930	468,109	822,157	6,417,196
Allocated support costs	-	57,382	437,366	494,748
	<u>5,126,930</u>	<u>525,491</u>	<u>1,259,523</u>	<u>6,911,944</u>
				<u>2,543,524</u>

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17 as restated
	£	£
Auditors' remuneration	6,035	4,200
Depreciation - owned assets	<u>203,992</u>	<u>74,682</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Year Ended 31.8.18		Period 19.1.17 to 31.8.17
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Direct costs	201,125	6,216,071	6,417,196
Support costs	-	494,748	494,748
	<u>201,125</u>	<u>6,710,819</u>	<u>6,911,944</u>
			<u>2,543,524</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Year Ended 31.8.18 Total £	Period 19.1.17 to 31.8.17 Total as restated £
Analysis of support costs		
Other support costs	198,813	54,995
Governance costs	<u>295,935</u>	<u>104,553</u>
Total support costs	<u>494,748</u>	<u>159,548</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees.

Trustees' expenses

During the period ended 31 August 2018, mileage expenses totalling £1,852 were reimbursed or paid directly to two Trustees.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

10. STAFF COSTS

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17 as restated
	£	£
Wages and salaries	3,940,583	1,568,049
Social security costs	339,373	129,399
Operating costs of defined benefit pension schemes	<u>846,974</u>	<u>303,426</u>
	<u>5,126,930</u>	<u>2,000,874</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17
St Mary's	41	45
St Philip Howard	<u>151</u>	<u>146</u>
	<u>192</u>	<u>191</u>

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

	Year Ended 31.8.18	Period 19.1.17 to 31.8.17
£60,001 - £70,000	1	1
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the Academy Trust comprise the directors and the senior management team as listed on page 4. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the Academy Trust was £1,763.

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

12. PRIOR YEAR ADJUSTMENT

The prior year adjustment of £509,000 relates to the net liability closing position as at 31 August 2017 on the West Sussex County Council pension fund.

13. TANGIBLE FIXED ASSETS

	Improvement to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st September 2017	-	514,232	203,198	717,430
Additions	<u>387,370</u>	<u>76,080</u>	-	<u>463,450</u>
At 31st August 2018	<u>387,370</u>	<u>590,312</u>	<u>203,198</u>	<u>1,180,880</u>
DEPRECIATION				
At 1st September 2017	-	53,566	21,116	74,682
Charge for year	<u>5,614</u>	<u>147,578</u>	<u>50,800</u>	<u>203,992</u>
At 31st August 2018	<u>5,614</u>	<u>201,144</u>	<u>71,916</u>	<u>278,674</u>
NET BOOK VALUE				
At 31st August 2018	<u>381,756</u>	<u>389,168</u>	<u>131,282</u>	<u>902,206</u>
At 31st August 2017	<u>-</u>	<u>460,666</u>	<u>182,082</u>	<u>642,748</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 as restated £
Trade debtors	63,275	6,588
Other debtors	17,000	-
VAT	<u>55,849</u>	<u>73,822</u>
	<u>136,124</u>	<u>80,410</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 as restated £
Trade creditors	164,021	2,823
Social security and other taxes	9,304	-
Accruals and deferred income	<u>47,618</u>	<u>4,200</u>
	<u>220,943</u>	<u>7,023</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017 as restated
	£	£
Within one year	13,311	6,952
Between one and five years	<u>19,485</u>	<u>4,216</u>
	<u>32,796</u>	<u>11,168</u>

17. MEMBERS' LIABILITY

Each member of the Academy Trust 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	2018 Total funds £
Fixed assets	-	-	902,206	902,206
Current assets	270,065	581,065	54,101	905,231
Current liabilities	-	(220,943)	-	(220,943)
Pension liability	-	<u>(315,000)</u>	-	<u>(315,000)</u>
	<u>270,065</u>	<u>45,122</u>	<u>956,307</u>	<u>1,271,494</u>

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

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	2017 Total funds £
Fixed assets	-	-	642,748	642,748
Current assets	141,960	263,559	28,436	433,955
Current liabilities	(7,023)	-	-	(7,023)
Pension liability	-	<u>(509,000)</u>	-	<u>(509,000)</u>
	<u>134,937</u>	<u>(245,441)</u>	<u>671,184</u>	<u>560,680</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

19. MOVEMENT IN FUNDS

	At 1.9.17	Prior year adjustment	Net movement in funds	At 31.8.18
	£	£	£	£
Unrestricted funds				
General fund	134,937	-	135,128	270,065
Restricted funds				
St Mary's	55,502	-	(155)	55,347
St Philip Howard	63,335	-	156,731	220,066
Bosco General Annual Grant	144,722	-	(60,013)	84,709
Pension reserve	-	(509,000)	194,000	(315,000)
Restricted fixed asset funds				
Transfer on conversion	642,748	-	-	642,748
DfE/ESFA capital grants	28,436	-	285,123	313,559
	934,743	(509,000)	575,686	1,001,429
TOTAL FUNDS	<u>1,069,680</u>	<u>(509,000)</u>	<u>710,814</u>	<u>1,271,494</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	336,253	(201,125)	-	135,128
Restricted funds				
St Mary's	1,204,558	(1,204,713)	-	(155)
St Philip Howard	5,023,632	(4,866,901)	-	156,731
Bosco General Annual Grant	197,201	(257,214)	-	(60,013)
Pension reserve	-	(178,000)	372,000	194,000
Restricted fixed asset funds				
DfE/ESFA capital grants	489,114	(203,991)	-	285,123
	6,914,505	(6,710,819)	372,000	575,686
TOTAL FUNDS	<u>7,250,758</u>	<u>(6,864,944)</u>	<u>372,000</u>	<u>710,814</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	Net movement in funds £	At 31.8.17 £
Unrestricted Funds		
General fund	134,937	134,937
Restricted Funds		
St Mary's	55,502	55,502
St Philip Howard	63,335	63,335
Bosco General Annual Grant	144,722	144,722
Pension reserve	(509,000)	(509,000)
Restricted fixed asset funds		
Transfer on conversion	642,748	642,748
DfE/ESFA capital grants	<u>28,436</u>	<u>28,436</u>
	425,743	425,743
	-----	-----
TOTAL FUNDS	<u>560,680</u>	<u>560,680</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	139,137	(4,200)	-	134,937
Restricted funds				
St Mary's	510,146	(454,644)	-	55,502
St Philip Howard	1,940,854	(1,877,519)	-	63,335
Bosco General Annual Grant	219,201	(74,479)	-	144,722
Pension reserve	(436,000)	(58,000)	(15,000)	(509,000)
Restricted fixed asset funds				
Transfer on conversion	717,430	(74,682)	-	642,748
DfE/ESFA capital grants	<u>28,436</u>	-	-	<u>28,436</u>
	2,980,067	(2,539,324)	(15,000)	425,743
	-----	-----	-----	-----
TOTAL FUNDS	<u>3,119,204</u>	<u>(2,543,524)</u>	<u>(15,000)</u>	<u>560,680</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

20. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

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

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

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

The pension costs paid to TPS in the period amounted to £432,222.

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

20. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £297,698 (2017: £113,548), of which employer's contributions totalled £239,722 (2017: £91,444) and employees' contributions totalled £57,976 (2017: £22,104). The agreed contribution rates for future years are 5.5% for employers and 12.5% for employees.

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

Principal actuarial assumptions - St Philip Howard

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.0%	3.1%
Rate of increase for pensions in payment/inflation	2.3%	2.4%
Discount rate	2.8%	2.5%

Principal actuarial assumptions – St Marys Catholic Primary School

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.1%	3.1%
Rate of increase for pensions in payment/inflation	2.4%	2.4%
Discount rate	2.8%	2.5%

Sensitivity analysis – St Philip Howard

	At 31 August 2018	At 31 August 2017
Discount rate -0.5%	14%	13%
Salary increase rate +0.5%	2%	3%
Pension increase (CPI) rate +0.5%	11%	10%

Sensitivity analysis – St Marys Catholic Primary School

	At 31 August 2018	At 31 August 2017
Discount rate -0.5%	12%	12%
Salary increase rate +0.5%	2%	2%
Pension increase (CPI) rate +0.5%	10%	10%

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	At 31 August 2018	At 31 August 2017
Retiring today:		
Males	23.6	23.6
Females	25.0	25.0
Retiring in 20 years:		
Males	26.0	26.0
Females	27.8	27.8

The academy trust's share of the assets of the scheme were:

	At 31 August 2018	At 31 August 2017
Equities	54%	52%
Corporate bonds	35%	37%
Property	8%	8%
Cash and other liquid assets	3%	3%

The estimated bid value of the scheme's assets as at 31 August 2018 was £4,345m (2017: £4,016m).

The actual return on scheme assets as at 31 August 2018 was 6.7% (2017: 5.8%).

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

	2018 £'000	2017 £'000
At 1 September	2,617	-
Conversion of academy	-	2,318
Current service cost	402	145
Interest cost	71	26
Employee contributions	58	22
Actuarial gain/(loss)	(276)	106
At 31 August	<u>2,872</u>	<u>2,617</u>

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

	2018 £'000	2017 £'000
At 1 September	2,108	-
Conversion of academy	-	1,882
Interest income on plan assets	56	21
Employee contributions	58	22
Employer contributions	239	92
Return on plan assets	96	91
At 31 August	<u>2,557</u>	<u>2,108</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

20. PENSION AND SIMILAR OBLIGATIONS - continued - continued

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

	Defined benefit pension plans	
	2018	2017 as restated
	£	£
Current service cost	402,000	145,000
Net interest from net defined benefit asset/liability	<u>71,000</u>	<u>26,000</u>
	<u>473,000</u>	<u>171,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£	£
Defined benefit obligation	2,617,000	2,318,000
Current service cost	402,000	145,000
Contributions by scheme participants	58,000	22,000
Interest cost	71,000	26,000
Actuarial (gains)/losses from changes in financial assumptions	<u>(276,000)</u>	<u>106,000</u>
	<u>2,872,000</u>	<u>2,617,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£	£
Fair value of scheme assets	2,108,000	1,882,000
Interest income	56,000	21,000
Contributions by employer	239,000	92,000
Contributions by scheme participants	58,000	22,000
Return on plan assets (excluding interest income)	<u>96,000</u>	<u>91,000</u>
	<u>2,557,000</u>	<u>2,108,000</u>

Bosco Catholic Education Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2018

20. PENSION AND SIMILAR OBLIGATIONS – continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017 as restated
	£	£
Actuarial (gains)/losses from changes in financial assumptions	276,000	(106,000)
Return on plan assets (excluding interest income)	<u>96,000</u>	<u>91,000</u>
	<u>372,000</u>	<u>(15,000)</u>

21. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

Bosco Catholic Education Trust

Detailed Statement of Financial Activities for the Year Ended 31st August 2018

	Year Ended 31.8.18 £	Period 19.1.17 to 31.8.17 as restated £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Gift aid	20,467	49,900
Legacies	120,000	-
Capital grants	489,114	28,436
Other donations	<u>52,367</u>	<u>20,649</u>
	681,948	98,985
Transfer from Local Authority on conversion	-	281,430
Other trading activities		
Hire of facilities	17,313	60,550
Educational visits/transport	712,870	3,853
Insurance	-	3,391
Other	<u>157,123</u>	<u>716</u>
	887,306	68,510
Investment income		
Deposit account interest	440	78
Charitable activities		
General Annual Grant (GAG)	5,449,662	2,478,295
Pupil Premium	107,469	23,657
Local Authority Grants	<u>123,933</u>	<u>168,249</u>
	<u>5,681,064</u>	<u>2,670,201</u>
Total incoming resources	7,250,758	3,119,204
EXPENDITURE		
Charitable activities		
Wages	3,940,583	1,568,049
Social security	339,373	129,399
Pensions	846,974	303,426
Educational supplies	372,827	57,939
Staff development	30,072	6,289
Premises costs	468,109	120,692
Health, safety and hygiene	14,608	3,113
Educational professional service	16,766	8,024
Carried forward	5,982,312	2,178,931

This page does not form part of the statutory financial statements

Bosco Catholic Education Trust

Detailed Statement of Financial Activities for the Year Ended 31st August 2018

	Year Ended 31.8.18 £	Period 19.1.17 to 31.8.17 as restated £
Charitable activities		
Brought forward	5,982,312	2,178,931
School catering	78,074	31,001
Exam fees	105,819	81,362
Improvements to property	5,614	-
Fixtures and fittings	147,578	53,566
Computer equipment	<u>50,799</u>	<u>21,116</u>
	6,417,196	2,383,976
Support costs		
Management		
Postage and stationary	48,434	10,838
ICT	77,785	27,111
Advertising and publicity	11,994	6,097
Travel and subsistence	21,408	1,698
Subscriptions	323	550
Photocopier lease	2,577	8,613
Sundries	<u>36,292</u>	<u>88</u>
	198,813	54,995
Governance costs		
Insurance	57,382	33,887
Professional fees	232,518	66,466
Auditors' remuneration	<u>6,035</u>	<u>4,200</u>
	<u>295,935</u>	<u>104,553</u>
Total resources expended	6,911,944	2,543,524
	<hr/>	<hr/>
Net income	<u><u>338,814</u></u>	<u><u>575,680</u></u>