

Company Registration Number: 08559647 (England & Wales)

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended 31 May 2019



ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
For the period ended 31 May 2019

Members

Bishop S Cunningham (resigned 25 March 2019)
Bishop R J Byrne (appointed 25 March 2019)
D Fox
J Ledger
Rev M Stempczyk
Rev S Lerche

Trustees

G Kilgour, Chair from 7 September 2018
T B Tapping, Accounting Officer¹
J Hughes, Chair until 7 September 2018 (resigned 7 September 2018)
M Clephane (resigned 25 January 2019)¹
Rev. A Dixon
T Fairweather¹
A Harrison
S Jobling¹
M McDonagh¹
D Phippen¹
L Thompson (resigned 8 July 2019)
V M Wiblin

¹ Finance and General Purposes Committee

Company registered number

08559647

Company name

ST. JOSEPH'S CATHOLIC EDUCATION TRUST

Principal and registered office

Mill Lane
Hebburn
Tyne & Wear
NE31 2ET

Company secretary

G Hodgson

Accounting officer

T B Tapping

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS (CONTINUED)**
For the period ended 31 May 2019

Senior Leadership Team

T B Tapping, Executive Headteacher / Accounting Officer
P Mitchell, Head of School
C Hammill, Deputy Headteacher
D Ritchie, Deputy Headteacher
I Perkins, Senior Assistant Headteacher
M Carling, Assistant Headteacher
S Lewis-Dale, Assistant Headteacher
D McGuinness, Acting Assistant Headteacher / Head of Maths
C Curry, Acting Assistant Headteacher / Head of English
R Gibson, Director of Vocational Studies (resigned 13 January 2019)
E Harrison, Chief Financial Officer

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank plc
Grey Street
Newcastle Business Centre
PO Box 1000
BX1 1LT

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
For the period ended 31 May 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2018 to 31 May 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

St. Joseph's Catholic Education Trust operates as a single academy (St Joseph's Catholic Academy) which caters for students between the ages of 11 – 19 years within the area of South Tyneside. The number on roll for the academy was 1,159 in the October 2018 census.

Structure, governance and management

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of St. Joseph's Catholic Education Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as St. Joseph's Catholic Education Trust.

Details of the Trustees who served during the period, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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

The academy trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. This is via the Risk Protection Arrangement (RPA).

Method of recruitment and appointment or election of Trustees

The academy trust has a set of rules and procedures setting out how it is run and how it conducts its business and meetings. These are known as the Articles of Association and set out the academy trust's charitable objects. The Articles detail the constitution of the company and the rules for the appointment and removal of its Members, Trustees and Governors. Members approve its Trustees. Trustees appoint a Governing Body to which they delegate their duties, where necessary.

The Diocesan Bishop shall appoint such number of Foundation Trustees as shall ensure that at all times the number of Foundation Trustees exceeds the other Trustees (including any Co-opted Trustees) by two.

The Executive Headteacher shall be treated for all purposes as being an ex officio Trustee.

The term of office for any Trustee shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing, save that this time limit shall not apply to the Co-opted Trustees or to any post which is held ex officio. Co-opted Trustees shall be appointed for a period of one year. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
For the period ended 31 May 2019

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

Governing Body Membership Update is an item on the agenda for all termly meetings. At these meetings the Clerk to the Board of Trustees will highlight any vacancies. The Governors service offers Trustee induction training. New Trustees are also supported by experienced Trustees.

Organisational structure

The structure consists of Trustee's of the academy trust, sub committees and Senior Leadership Team. The aim of the structure is to delegate responsibility appropriately and encourage involvement in decision making at all levels. There is a scheme of delegation in place.

Trustees and sub committees – upon conversion the governance framework was established via a scheme of delegation. Meetings are convened by the Clerk to the Trustees with the chair and Executive Headteacher. An agenda is prepared by the Clerk to the Trustees/Committee and distributed together with any supporting papers.

The Executive Headteacher is the Accounting Officer. In addition, the Senior Leadership Team for the period consists of a Head of School, two Deputy Headteachers, one Senior Assistant Headteacher, two Assistant Headteachers, two Acting Assistant Headteachers (including responsibility for Head of Maths and English), Chief Financial Officer and Director of Vocational Services.

Arrangements for setting pay and remuneration of key management personnel

The pay policy for all staff, including key management personnel, is governed by the pay policy, which is reviewed annually.

The Executive Headteacher is the Accounting Officer. The Executive Headteacher salary is set and agreed by Directors of Northern Saints Catholic Education Trust, following a benchmarking exercise by an external adviser to the academy trust.

The salaries of the Senior Leadership Team are agreed by the Trustees.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
For the period ended 31 May 2019

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	1
Full-time equivalent employee number	0.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	1
Percentage of pay bill spent on facility time	£000
Total cost of facility time	12
Total pay bill	12
Percentage of total pay bill spent on facility time	100.0 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.0 %
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The total cost was reimbursed to the academy trust.

Related parties and other connected charities and organisations

Related party relationships are detailed in note 23.

Objectives and activities

Objects and aims

The principal activity is the operation of St. Joseph's Catholic Academy Trust to provide free education for young people aged 11 – 19 of all abilities, based on an inclusive, balanced and broad curriculum.

The aims and objectives of St. Joseph's Catholic Academy Trust are summarised in the school mission statement which is based on the school prayer:-

"Lord help us to be the people you want us to be. In our school may there be prayer, learning and humour, hard work, faith and friendship. May we respect everyone we meet, use our gifts and encourage each other. Send your angels to guide use and let your peace be with us and our families always. We ask all these things through Christ our Lord Amen."

The Trustees and staff of the academy trust are committed to providing an outstanding education to all students.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
For the period ended 31 May 2019

Objectives and activities (continued)

Objectives, strategies and activities

The academy trust has a rolling programme of self evaluation and this is summarised in the academy self evaluation form. Action points from the evaluation are then pursued in the school development plan. The school development plan is broken down into areas relating to Ofsted criteria.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relation to public benefit.

Strategic report

Achievements and performance

Key performance indicators

GCSE Results 2018

- Overall attainment is up on 2017 with an Attainment 8 average of 46.06 points and 37.9% of the year group achieving the new grade 5 or better in English and Maths.
- 65% of pupils achieved a standard pass of 4 or better in English and Maths.
- 16.4% of pupils achieved the EBacc standard pass with an average point score of 3.89.
- The Progress 8 Score, subject to validation, is -0.31.
- Our sixth form provision is rated as 'Very Good' by the Alps performance measure.
- ALPS score of 3.
- 70% of our departments are rated as Good or better by the same measure.
- 39.5% of grade were a grade B or better.
- 61% of our pupils achieved one or more grades at (A*-B) and 35% achieved two or more grades at (A*-B)
- Almost 10% of students achieved a very impressive 3 grade A's or better.
- 7.5% of students achieved A Levels at grades AAB or higher in at least 2 "facilitating subjects".

Although the 2019 GCSE results were published following the transfer to Northern Saints Catholic Education Trust, the GCSE 2019 Results are as follows:

- Overall attainment is up on 2018 with an Attainment 8 average of 48.25 points and 38.3% of the year group achieving the new grade 5 or better in English and Maths.
- The progress 8 Score, subject to validation, is -0.11
- 64% of pupils achieved a standard pass of 4 or better in English and Maths.
- 25% of pupils achieved the EBacc standard pass with 16.5% achieving a strong pass and average point score of 4.14.
- Overall Academic APS = 31.7 (C+) [2018 = 26.5 (C-)]
- Best 3 A level APS 32.8 (C+) [2018 = 30.2 (C)]
- 44% of all grades at the equivalent of grade B or better
- 18% of all grades at the equivalent of grade A or better
- 50.5% of our pupils achieved one or more grades at (A*-B) and 30% achieved two or more grades at (A*-B)
- 8.2% of students achieved A Levels at grades AAB or higher in at least 2 "facilitating subjects" and students achieving A Levels at grades AAB or higher in at least 3 "facilitating subjects" is at 8.2%

Going concern

On 1 May 2019, St. Josephs Catholic Academy, being the only academy in St. Joseph's Catholic Education Trust, became a part of Northern Saints Catholic Education Trust. As a result all assets and liabilities were transferred at that date. The academy trust will shortly be dissolved.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
For the period ended 31 May 2019

Strategic report (continued)

Financial review

Reserves policy

The academy trust holds restricted and unrestricted funds (the attached financial statements details these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas, such as to cover ongoing costs in relation to the running of the academy trust.
- To cover ongoing costs including catering provisions, school trips and uniform costs.

A reserves policy was set upon conversion to an academy trust. The minimum level of reserves for the ongoing needs of the academy trust is reviewed annually. The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. The main financial risk to the academy trust is that of managing its short-term cash flow effectively. To mitigate this risk the Trustees consider it prudent to hold unrestricted funds in the general fund in the form of free reserves (total funds less amount held in fixed assets and restricted funds) of £416,000.

On 1 May 2019 all assets and liabilities in the academy trust were transferred to Northern Saints Catholic Education Trust. Therefore the total value of reserves at the period end was £nil.

Investment policy

The objectives of this policy are to ensure that the academy trust maintains sufficient cash balances in its current account to meet its day to day commitments and invests surplus cash to earn an acceptable rate of return without undue risk.

The Headteacher and Board of Trustees have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Chief Financial Officer. The Chief Financial Officer will liaise with the Headteacher and Board of Trustees in relation to investment decisions.

The academy trust maintains funds in a current account. In the year to 31 May 2019 there were no additional investments.

Principal risks and uncertainties

The principal risks and uncertainties are centred on the current level of uncertainty of the school funding formula via the DfE/ESFA. This must be carefully monitored. Additionally, a risk to the academy trust is reduced funding due to a fall in student numbers in the sixth form.

In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
For the period ended 31 May 2019

Strategic report (continued)

Financial review (continued)

Financial performance

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 May 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 May 2019, total expenditure of £4,623,000 was exceeded by recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £150,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 May 2019 the net book value of fixed assets was £nil and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £nil recognised on the balance sheet.

The academy trust held fund balances at 31 May 2019 of £nil comprising £nil of restricted funds and £nil of unrestricted funds.

On 1 May 2019 all assets and liabilities in the academy trust were transferred to Northern Saints Catholic Education Trust. The total value of the funds transferred was £1,283,000.

Plans for future periods


On 1 May 2019, the only academy within the academy trust joined Northern Saints Catholic Education Trust. Due to this the academy trust ceased trading and the company will be dissolved in due course.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 23 September 2019 and signed on its behalf by:


G Kilgour
Chair

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St. Joseph's 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 Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St. Joseph's Catholic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the period.

Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Kilgour, Chair from 7 September 2018	3	5
T B Tapping, Accounting Officer	5	5
J Hughes, Chair until 7 September 2018	0	0
M Clephane	2	5
Rev. A Dixon	4	5
T Fairweather	4	5
A Harrison	4	5
S Jobling	5	5
M McDonagh	3	5
D Phippen	4	5
L Thompson	1	5
V M Wiblin	3	5

Current Trustees have been given the opportunity to increase their knowledge by further training offered by the Local Authority and Diocese a self-assessment of the committee skills is on-going.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees.

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Jobling (Chair)	1	1
T B Tapping	0	1
D Phippen	1	1
M Clephane	1	1
T Fairweather	1	1
M McDonagh	0	1

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the period by a detailed curriculum model which is produced each year in order to operate the school. This takes into account student group sizes and staffing associated with this.

Maximising income generation

The academy trust explores all opportunities to generate additional income including internal catering provision, the hire of academy facilities, offering support to other schools and academies and the submission of appropriate grant applications.

Reviewing controls and managing risks

The academy trust has a Finance and General Purposes Committee that maintains oversight of its risk management, value for money framework and governance arrangements.

The academy trust appointed Clive Owen LLP to provide internal assurance reporting. They undertake systems and accounting checks and report these back to the Finance and General Purposes Committee.

The Finance and General Purposes Committee consider the strategic risks facing the academy including how these risks are managed via a termly review of the risk register. Significant risks are then delegated to the appropriate committee to ensure appropriate action is taken and progress monitored.

The Executive Headteacher and Chief Financial Officer review budget monitoring reports on a monthly basis addressing any significant variances against budget. Capitation budgets are delegated to each department and Curriculum Leaders monitor the expenditure and spend in accordance with their annual development plans.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St. Joseph's Catholic Education Trust for the period 1 September 2018 to 31 May 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 May 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- testing of control account/bank reconciliations
- testing of accounting systems and management information provided
- testing of postings and allocations to income nominal codes
- testing of budget monitoring and financial forecasting
- review of ESFA forms
- review of the Financial Procedures Manual
- review of governing body and committee agendas and board minutes

On a termly basis, the external auditors report to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

There has been one termly reviews throughout the period and the external auditors have fully delivered their schedule of work as planned in line with the ESFA's requirements. There have been no material control issues arising as a result of the external auditors work.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

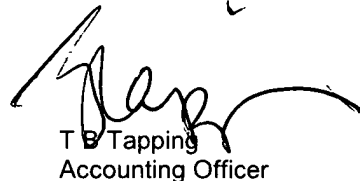
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 23 September 2019 and signed on their behalf by:



G Kilgour
Chair



T B Tapping
Accounting Officer

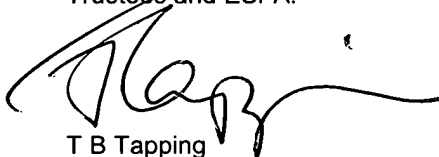
ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St. Joseph's Catholic Education Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



T B Tapping
Accounting Officer
23 September 2019

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the period ended 31 May 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 23 September 2019 and signed on its behalf by:


G Kilgour
Chair

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. JOSEPH'S CATHOLIC EDUCATION TRUST

Opinion

We have audited the financial statements of St. Joseph's Catholic Education Trust (the 'academy trust') for the year ended 31 May 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

On the 1 May 2019, St Joseph's Catholic Academy being the only academy in St. Joseph's Catholic Education Trust, became part of Northern Saints Catholic Education Trust MAT. As a result all assets and liabilities were transferred at that date transferred into the new trust.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. JOSEPH'S CATHOLIC EDUCATION TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy trust 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.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. JOSEPH'S CATHOLIC EDUCATION TRUST (CONTINUED)

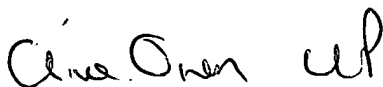
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of
Clive Owen LLP

Chartered Accountants
Statutory Auditors
140 Coniscliffe Road

Darlington
Co Durham
DL3 7RT

23 September 2019

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST. JOSEPH'S CATHOLIC EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

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

This report is made solely to St. Joseph's 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 St. Joseph's Catholic Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St. Joseph's Catholic Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St. Joseph's Catholic Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St. Joseph's Catholic Education Trust's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 May 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST.
JOSEPH'S CATHOLIC EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**
(CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusions includes:

- Review of the governing body and committee minutes;
- Review of termly internal assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review of related transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

Conclusion

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



Kevin Shotton BA FCA

Clive Owen LLP

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

23 September 2019

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
For the period ended 31 May 2019

		Unrestricted funds Period ended 31 May 2019 £000	Restricted funds Period ended 31 May 2019 £000	Restricted fixed asset fund Period ended 31 May 2019 £000	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
Income from:						
Donations and capital grants	3	-	-	71	71	28
Charitable activities		231	4,355	-	4,586	7,188
Other trading activities		163	-	-	163	102
Total income		<u>394</u>	<u>4,355</u>	<u>71</u>	<u>4,820</u>	<u>7,318</u>
Expenditure on:						
Charitable activities		320	4,279	24	4,623	7,967
Total expenditure		<u>320</u>	<u>4,279</u>	<u>24</u>	<u>4,623</u>	<u>7,967</u>
Net income		<u>74</u>	<u>76</u>	<u>47</u>	<u>197</u>	<u>(649)</u>
Transfer out of Trust	16	(74)	1,954	(597)	1,283	-
Net movement in funds before other recognised gains		<u>-</u>	<u>2,030</u>	<u>(550)</u>	<u>1,480</u>	<u>(649)</u>
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	21	-	-	-	-	779
Net movement in funds		<u>-</u>	<u>2,030</u>	<u>(550)</u>	<u>1,480</u>	<u>130</u>
Reconciliation of funds:						
Total funds brought forward		-	(2,030)	550	(1,480)	-(1,610)
Net movement in funds		-	2,030	(550)	1,480	130
Total funds carried forward		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,480)</u>

The notes on pages 24 to 51 form part of these financial statements.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
As at 31 May 2019

		31 May 2019 £000	31 May 2019 £000	31 August 2018 £000	31 August 2018 £000
Fixed assets					
Tangible assets	12	-	-	467	467
Current assets					
Stocks	13	-	-	2	
Debtors	14	-	-	235	
Cash at bank and in hand		125	-	292	
		125	-	529	
Creditors: amounts falling due within one year	15	(125)	-	(522)	
Net current assets			-		7
Total assets less current liabilities			-		474
Net assets excluding pension asset / liability			-		474
Defined benefit pension scheme asset / liability	21	-	-	(1,954)	
Total net assets			-		(1,480)
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	16	-	-	550	
Restricted income funds	16	-	-	(76)	
Restricted funds excluding pension asset	16	-	-	474	
Pension reserve	16	-	-	(1,954)	
Total restricted funds	16	-	-		(1,480)
Unrestricted income funds	16	-	-		-
Total funds			-		(1,480)

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
As at 31 May 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 51 were approved by the Trustees, and authorised for issue on 23 September 2019 and are signed on their behalf, by:


G Kilgour
Chair

The notes on pages 24 to 51 form part of these financial statements.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
For the period ended 31 May 2019

		Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
	Note		
Cash flows from operating activities			
Net cash used in operating activities	18	(136)	(522)
Cash flows from investing activities	19	(31)	(24)
Change in cash and cash equivalents in the period		(167)	(546)
Cash and cash equivalents at the beginning of the period		292	838
Cash and cash equivalents at the end of the period	20	<u>125</u>	<u>292</u>

The notes on pages 24 to 51 form part of these financial statements

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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. (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St. Joseph's Catholic Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

On the 1 May 2019, St Joseph's Catholic Academy being the only academy in St. Joseph's Catholic Education Trust, became part of Northern Saints Education Trust MAT. As a result all assets and liabilities were transferred at that date. The academy trust will shortly be dissolved.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable 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 period 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.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

These are costs 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.

All resources expended are inclusive of irrecoverable VAT.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies (continued)

1.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Building improvements	- 50 years
Fixtures and fittings	- 7 years
Computer equipment	- 3 years

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

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

The academy trust occupies the footprint of the school building which is owned by the Diocese of Hexham and Newcastle. The Diocese are the providers of the land and buildings on the same basis as when the academy was a maintained school. The academy trust occupies the land and buildings under a licence. The continuing permission of the Diocese is pursuant to, and subject to, the Diocese charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land in the academy trust. The Diocese have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the Trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the Balance Sheet of the academy trust.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy trust has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of facilities should be reflected in the financial statements. The Trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

The remaining land is owned by South Tyneside Council and leased to the academy trust for 125 years. Building improvements funded by the academy trust have been capitalised at cost.

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 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.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies (continued)

1.9 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

1. Accounting policies (continued)

1.12 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

1.14 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 Trustees.

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

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

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2016 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. As the balance of the LGPS pension liability was transferred out of the academy trust on 1 May 2019 a valuation was not sought as it was not believed to be value for money given that the value on the balance sheet is now £nil.

Critical areas of judgment:

Depreciation - Depreciation is calculated as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation policy. The value of depreciation during the period was £24,000.

Land and buildings - The academy trust buildings are owned by the Diocese of Hexham and Newcastle. The academy trust occupies the buildings under a licence. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does not vest any rights over the buildings in the academy trust. The Diocese of Hexham and Newcastle has given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the buildings are occupied by the academy trust, the buildings will not be recognised on the balance sheet of the academy trust. In addition, whilst the occupation constitutes a donation in kind to the academy trust, the directors consider the cost of obtaining a valuation for such a donation outweighs the benefit and therefore no such donation and related expense are included in the statement of financial activities. Building improvements funded by the academy trust have been capitalised at cost.

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

3. Income from donations and capital grants

	Restricted funds Period ended 31 May 2019 £000	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
Capital Grants	71	71	28
<i>Total 2018</i>	28	28	

4. Funding for the academy's educational operations

	Unrestricted funds Period ended 31 May 2019 £000	Restricted funds Period ended 31 May 2019 £000	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,069	4,069	6,460
Pupil Premium	-	159	159	236
Rates	-	41	41	63
Year 7 Catch Up	-	9	9	9
Other DfE Group grants	-	50	50	-
	-	4,328	4,328	6,768
Other Government grants				
Local Authority other grants	-	7	7	42
	-	7	7	42
Other funding				
Non-Government grants	-	20	20	33
Income from academies	12	-	12	28
Non-Government non grant	20	-	20	-
Student trips	4	-	4	59
Student catering	195	-	195	258
Total 2019	231	4,355	4,586	7,188
<i>Total 2018</i>	345	6,843	7,188	

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

5. Income from other trading activities

	Unrestricted funds Period ended 31 May 2019 £000	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
Hire of facilities	8	8	7
Other income	155	155	95
Total 2019	<u>163</u>	<u>163</u>	<u>102</u>
<i>Total 2018</i>	<u>102</u>	<u>102</u>	

6. Expenditure

	Staff Costs Period ended 31 May 2019 £000	Premises Period ended 31 May 2019 £000	Other Period ended 31 May 2019 £000	Total Period ended 31 May 2019 £000	Total Year ended 31 August 2018 £000
Academy's educational operations:					
Direct costs	2,810	-	768	3,578	5,759
Support costs	430	245	370	1,045	2,208
Total 2019	<u>3,240</u>	<u>245</u>	<u>1,138</u>	<u>4,623</u>	<u>7,967</u>
<i>Total 2018</i>	<u>6,578</u>	<u>388</u>	<u>1,001</u>	<u>7,967</u>	

ST. JOSEPH'S CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 May 2019

6. Expenditure (continued)

In 2019 of the total expenditure £320,000 (2018: £722,000) was to unrestricted funds, £4,279,000 (2018: £7,208,000) was to restricted funds and £24,000 (2018: £37,000) was to restricted fixed asset funds.

There were no individual payments exceeding £5,000 for

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

7. Analysis of expenditure by activities

	Activities undertaken directly Period ended 31 May 2019 £000	Support costs Period ended 31 May 2019 £000	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
Academy's educational operations	3,578	1,045	4,623	7,967
<i>Total 2018</i>	<i>5,759</i>	<i>2,208</i>	<i>7,967</i>	

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds Period ended 31 May 2019 £000	<i>Total funds Year ended 31 August 2018 £000</i>
Pension income	-	60
Staff costs	3,190	5,294
Educational supplies	82	134
Examination fees	106	114
Staff development	56	41
Technology costs	6	6
Educational consultancy	63	40
Transport costs	22	70
Other costs	53	-
Total 2019	<u>3,578</u>	<u>5,759</u>

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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds Period ended 31 May 2019 £000	Total funds Year ended 31 August 2018 £000
Staff costs	430	1,408
Depreciation	24	37
Technology costs	119	114
Transport costs	11	11
Maintenance of premises and equipment	33	63
Cleaning	7	9
Other premises costs	39	57
Energy	87	119
Rent & rates	31	63
Risk Protection Arrangement Fees	25	28
Catering costs	112	143
Security	10	13
Other costs	36	72
Governance costs	81	71
Total 2019	<u>1,045</u>	<u>2,208</u>

8. Net income

Net income for the period includes:

	31 May 2019 £000	31 August 2018 £000
Operating lease rentals	19	17
Depreciation of tangible fixed assets	24	37
Fees paid to auditors for:		
- audit	8	8
- other services	18	7

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9. Staff costs

a. Staff costs

Staff costs during the period were as follows:

	Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
Wages and salaries	2,414	4,416
Social security costs	243	450
Pension costs	400	1,069
	<hr/> 3,057	<hr/> 5,935
Agency staff costs	547	308
Staff restructuring costs	16	459
	<hr/> <hr/> 3,620	<hr/> <hr/> 6,702

Staff restructuring costs comprise:

	Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
Redundancy payments	-	47
Severance payments	16	412
	<hr/> 16	<hr/> 459

b. Staff numbers

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

	Period ended No. 2019 No.	Year ended 31 August 2018 No.
Teachers	70	76
Administration and support	51	62
Management	4	10
	<hr/> 125	<hr/> 148

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9. Staff costs (continued)

c. Higher paid staff

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

	Period ended 31 May 2019 No.	Year ended 31 August 2018 No.
In the band £60,001 - £70,000	2	3
In the band £90,001 - £100,000	-	1
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £254,000 (2018: £874,000).

10. Trustees' remuneration and expenses

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

		Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
D Phippen	Remuneration	20 - 25	30 - 35
	Pension contributions paid	0 - 5	5 - 10
L Thompson	Remuneration	15 - 20	-
	Pension contributions paid	0 - 5	-

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

11. Trustees' and Officers' insurance

The academy trust has opted into the Department of 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 membership.

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12. Tangible fixed assets

	Building improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2018	451	202	128	781
Additions	-	16	86	102
Transfer out on academy leaving the academy trust	(451)	(218)	(214)	(883)
At 31 May 2019	-	-	-	-
Depreciation				
At 1 September 2018	14	172	128	314
Charge for the period	6	13	5	24
Transfer out on academy leaving the academy trust	(20)	(185)	(133)	(338)
At 31 May 2019	-	-	-	-
Net book value				
At 31 May 2019	-	-	-	-
At 31 August 2018	437	30	-	467

13. Stocks

	31 May 2019 £000	31 August 2018 £000
Catering stock	-	1
Equipment supplies	-	1
	-	2

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14. Debtors

	31 May 2019 £000	31 August 2018 £000
Due within one year		
Trade debtors	-	23
Prepayments and accrued income	-	169
VAT recoverable	-	43
	<u>-</u>	<u>235</u>

15. Creditors: Amounts falling due within one year

	31 May 2019 £000	31 August 2018 £000
Trade creditors	-	92
Cash payable on transfer out of academy trust	125	-
Other taxation and social security	-	115
Other creditors	-	171
Accruals and deferred income	-	144
	<u>125</u>	<u>522</u>

	31 May 2019 £000	31 August 2018 £000
Deferred income		
Deferred income at 1 September 2018	49	53
Resources deferred during the period	-	49
Amounts released from previous periods	(49)	(53)
Deferred income at 31 May 2019	<u>-</u>	<u>49</u>

Deferred income includes trip income and rates relief received in advance for the next academic year.

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16. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 May 2019 £000
Unrestricted funds					
General fund	-	394	(320)	(74)	-
Restricted general funds					
General Annual Grant (GAG)	(76)	4,069	(3,993)	-	-
Pupil Premium	-	159	(159)	-	-
Other DfE/ESFA grants	-	100	(100)	-	-
Other grants	-	20	(20)	-	-
Other Government grants	-	7	(7)	-	-
Pension reserve	(1,954)	-	-	1,954	-
	<u>(2,030)</u>	<u>4,355</u>	<u>(4,279)</u>	<u>1,954</u>	<u>-</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	538	71	(14)	(595)	-
Transferred on conversion	10	-	(8)	(2)	-
Capital expenditure from GAG	2	-	(2)	-	-
	<u>550</u>	<u>71</u>	<u>(24)</u>	<u>(597)</u>	<u>-</u>
Total Restricted funds	<u>(1,480)</u>	<u>4,426</u>	<u>(4,303)</u>	<u>1,357</u>	<u>-</u>
Total funds	<u>(1,480)</u>	<u>4,820</u>	<u>(4,623)</u>	<u>1,283</u>	<u>-</u>

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For the period ended 31 May 2019

16. Statement of funds (continued)

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

General Annual Grant must be used for the normal running costs of the academy trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 May 2019.

Pupil Premium is additional funding to be spend as the school sees fit to support deprived students.

Other DfE/ESFA grants include Rates Relief and Year 7 Catch up to be spent on educational needs.

Other Government grants comprise funding for pupils with special educational needs.

Other grants include funding for teacher mentoring.

The pension reserve is a liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 21.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the economic useful life of the associated assets.

Unrestricted funds may be used for any purpose, at the discretion of the Trustees, within the objects of the academy trust.

The academy trust's general restricted and unrestricted funds total £nil (2018: (£76,000)) at 31 May 2019.

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16. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General Funds - all funds	275	447	(722)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	121	6,460	(6,654)	(3)	-	(76)
Pupil Premium	-	236	(236)	-	-	-
Other DfE/ESFA grants	-	72	(72)	-	-	-
Other grants	-	33	(33)	-	-	-
Other Government grants	-	42	(42)	-	-	-
Pension reserve	(2,562)	-	(171)	-	779	(1,954)
	<u>(2,441)</u>	<u>6,843</u>	<u>(7,208)</u>	<u>(3)</u>	<u>779</u>	<u>(2,030)</u>
Restricted fixed asset funds						
DfE / ESFA capital grants	520	28	(10)	-	-	538
Transferred on conversion	34	-	(24)	-	-	10
Capital expenditure from GAG	2	-	(3)	3	-	2
	<u>556</u>	<u>28</u>	<u>(37)</u>	<u>3</u>	<u>-</u>	<u>550</u>
Total Restricted funds	<u>(1,885)</u>	<u>6,871</u>	<u>(7,245)</u>	<u>-</u>	<u>779</u>	<u>(1,480)</u>
Total funds	<u><u>(1,610)</u></u>	<u><u>7,318</u></u>	<u><u>(7,967)</u></u>	<u><u>-</u></u>	<u><u>779</u></u>	<u><u>(1,480)</u></u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 May 2019 £000	Total funds 31 May 2019 £000
Current assets	125	125
Creditors due within one year	(125)	(125)
Total	<u>-</u>	<u>-</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 31 August 2018 £000</i>	<i>Restricted fixed asset funds 31 August 2018 £000</i>	<i>Total funds 31 August 2018 £000</i>
Tangible fixed assets	-	467	467
Current assets	446	83	529
Creditors due within one year	(522)	-	(522)
Provisions for liabilities and charges	(1,954)	-	(1,954)
Total	<u>(2,030)</u>	<u>550</u>	<u>(1,480)</u>

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18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
Net income/(expenditure) for the period (as per Statement of Financial Activities)	197	(649)
Adjustments for:		
Depreciation	24	37
Increase in stocks	-	1
Increase in debtors	37	17
Decrease in creditors	(7)	(71)
Capital grants from DfE and other capital income	(71)	(28)
Defined benefit pension scheme cost less contributions payable	-	111
Defined benefit pension scheme finance cost	-	60
Transfer of assets and liabilities to Northern Saints Catholic Education Trust	(316)	-
Net cash used in operating activities	(136)	(522)

19. Cash flows from investing activities

	31 May 2019 £000	31 August 2018 £000
Purchase of tangible fixed assets	(102)	(52)
Capital grants from DfE Group	71	28
Net cash used in investing activities	(31)	(24)

20. Analysis of cash and cash equivalents

	31 May 2019 £000	31 August 2018 £000
Cash in hand	125	292
Total cash and cash equivalents	125	292

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21. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £301,000 (2018 - £531,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 May 2019 was £129,000 (2018 - £543,000), of which employer's contributions totalled £99,000 (2018 - £470,000) and employees' contributions totalled £ 30,000 (2018 - £73,000). The agreed contribution rates for future years are 25.2% for employers and 5.5% to 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.

As the LGPS liability was transferred to Northern Saints Catholic Education Trust on 1 May 2019, the trust has no further liability.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	-	3.50
Rate of increase for pensions in payment/inflation	-	2.00
Discount rate for scheme liabilities	-	2.80
Inflation assumption (CPI)	-	2.00
Commutation of pensions to lump sums	-	80.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	-	22.9
Females	-	26.4
<i>Retiring in 20 years</i>		
Males	-	25.1
Females	-	28.7

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21. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	-	7,937
Discount rate -0.1%	-	8,328
Mortality assumption - 1 year increase	-	7,901
Mortality assumption - 1 year decrease	-	8,360
CPI rate +0.1%	-	8,245
CPI rate -0.1%	-	8,017
	<u> </u>	<u> </u>

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

	At 31 May 2019 £000	At 31 August 2018 £000
Equities	-	4,169
Government bonds	-	247
Corporate bonds	-	692
Property	-	525
Cash and other liquid assets	-	136
Other assets	-	407
Total market value of assets	<u> </u> -	<u> </u> 6,176

The actual return on scheme assets was £nil (2018 - £356,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	Period ended 31 May 2019 £000	Year ended 31 August 2018 £000
Current service cost	-	(369)
Past service cost	-	(43)
Interest income	-	140
Interest cost	-	(200)
Total amount recognised in the Statement of Financial Activities	<u> </u> -	<u> </u> (472)

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21. Pension commitments (continued)

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

	31 May 2019 £000	31 August 2018 £000
At 1 September	8,130	7,919
Transferred out on existing academies leaving the academy trust	(8,130)	-
Current service cost	-	369
Interest cost	-	200
Employee contributions	-	75
Actuarial gains	-	(563)
Benefits paid	-	87
Past service costs	-	43
At 31 May	<u>-</u>	<u>8,130</u>

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

	31 May 2019 £000	31 August 2018 £000
At 1 September	6,176	5,357
Transferred out on existing academies leaving the academy trust	(6,176)	-
Interest income	-	140
Actuarial gains	-	216
Employer contributions	-	301
Employee contributions	-	75
Benefits paid	-	87
At 31 May	<u>-</u>	<u>6,176</u>

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22. Operating lease commitments

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

	academy 31 May 2019 £000	academy 31 August 2018 £000
Amounts payable		
Not later than 1 year	-	17
Later than 1 year and not later than 5 years	-	16
Total	<u>-</u>	<u>33</u>

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23. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Northern Saints Catholic Education Trust - an organisation in which T B Tapping is a director.

- The academy trust paid £356,000 (2018: £124,000) for recharges of costs relating to staffing, leadership and resources. At 31 May 2019 there were no balances outstanding to the trust (2018: £50,000).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.
- Northern Saints Catholic Education Trust is a not-for-profit organisation, therefore no elements of the recharges were provided at 'more than cost'.

St. Bede's Catholic Comprehensive School and Byron College - an organisation in which T B Tapping is a governor.

- The academy trust paid £32,000 (2018: £41,000) for recharges of costs relating to staffing, leadership and resources. At 31 May 2019 there were no balances outstanding to the trust (2018: £nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.
- St. Bede's Catholic Comprehensive School and Byron College is a not-for-profit organisation, therefore no elements of the recharges were provided at 'more than cost'.

Diocese of Hexham and Newcastle - Diocese in which the academy trust is a member of

- The academy trust paid £10,000 (2018: £10,000) for recharges of costs relating to membership fees. At 31 May 2019 there were no balances outstanding to the trust (2018: £nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.
- Hexham and Newcastle Catholic Partnership is a not-for-profit organisation, therefore no elements of the recharges were provided at 'more than cost'.

Income Related Party Transactions

Northern Saints Catholic Education Trust - an organisation in which T B Tapping is a director.

- The academy trust received £3,000 (2018: £nil) for recharges of costs relating to staffing, leadership and resources. At 31 May 2019 there were no balances outstanding to the trust (2018: £nil).
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.