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**CONVENT OF JESUS AND MARY LANGUAGE COLLEGE**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**CONVENT OF JESUS AND MARY LANGUAGE COLLEGE**  
**(A company limited by guarantee)**

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**CONVENT OF JESUS AND MARY LANGUAGE COLLEGE**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	361	-	295,676	296,037	224,653
Charitable activities	3	-	6,740,652	-	6,740,652	6,966,198
Other trading activities	4	32,516	107,187	-	139,703	164,764
Investments	5	-	373	-	373	2,750
<b>TOTAL INCOME</b>		<b>32,877</b>	<b>6,848,212</b>	<b>295,676</b>	<b>7,176,765</b>	<b>7,358,365</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	-	-	2,450
Charitable activities		23,650	6,255,208	175,834	6,454,692	6,481,419
<b>TOTAL EXPENDITURE</b>	6	<b>23,650</b>	<b>6,255,208</b>	<b>175,834</b>	<b>6,454,692</b>	<b>6,483,869</b>
<b>NET INCOME BEFORE TRANSFERS</b>						
Transfers between Funds	17	9,227	593,004	119,842	722,073	874,496
		-	(494,516)	494,516	-	-
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		9,227	98,488	614,358	722,073	874,496
Actuarial gains/(losses) on defined benefit pension schemes	19	-	607,000	-	607,000	(655,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>9,227</b>	<b>705,488</b>	<b>614,358</b>	<b>1,329,073</b>	<b>219,496</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		434,452	(423,376)	707,385	718,461	498,965
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>443,679</b>	<b>282,112</b>	<b>1,321,743</b>	<b>2,047,534</b>	<b>718,461</b>

**CONVENT OF JESUS AND MARY LANGUAGE COLLEGE**

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REGISTERED NUMBER: 07944160

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		1,321,743		707,385
<b>CURRENT ASSETS</b>					
Debtors	15	274,612		139,381	
Cash at bank and in hand		2,066,681		1,943,316	
			<u>2,341,293</u>		<u>2,082,697</u>
<b>CREDITORS:</b> amounts falling due within one year	16	(297,502)		(238,621)	
<b>NET CURRENT ASSETS</b>			<u>2,043,791</u>		<u>1,844,076</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,365,534</u>		<u>2,551,461</u>
Defined benefit pension scheme liability	19		(1,318,000)		(1,833,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>2,047,534</u>		<u>718,461</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	1,600,112		1,409,624	
Restricted fixed asset funds	17	1,321,743		707,385	
Restricted income funds excluding pension liability		2,921,855		2,117,009	
Pension reserve		(1,318,000)		(1,833,000)	
Total restricted income funds			<u>1,603,855</u>		<u>284,009</u>
Unrestricted income funds	17		443,679		434,452
<b>TOTAL FUNDS</b>			<u>2,047,534</u>		<u>718,461</u>

The financial statements on pages 1 to 20 were approved by the Trustees, and authorised for issue, on 15 December 2017 and are signed on their behalf, by:

Chair of Trustees

Headteacher

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Convent of Jesus and Mary Language College constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 (primary schools) and £1,000 (secondary schools) are capitalised.

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

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

Building improvements	-	25 years
Motor vehicles	-	5 years
Fixtures, fittings and equipment	-	5 years
Catering equipment	-	5 years
Computer equipment	-	3 years

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Debtors**

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

**1.7 Cash at Bank and in hand**

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

**1.8 Liabilities and provisions**

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

**1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.10 Taxation**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

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

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

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

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

**1.12 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

**1.14 Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid any any balances held are disclosed in note 24.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Donations	361	-	-	361	10,392
Capital Grants	-	-	295,676	295,676	214,261
	<b>361</b>	<b>-</b>	<b>295,676</b>	<b>296,037</b>	<b>224,653</b>
<i>Total 2016</i>	<i>10,392</i>	<i>-</i>	<i>214,261</i>	<i>224,653</i>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

**Diocese of Westminster Academy Trust**

	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	6,218,582	6,218,582	6,522,285
Pupil Premium	315,255	315,255	325,850
16-19 Bursary Funding	-	-	1,521
Other DfE/EFA Grants (revenue)	12,311	12,311	11,500
	<u>6,546,148</u>	<u>6,546,148</u>	<u>6,861,156</u>
<b>Other government grants</b>			
SEN Funding	134,286	134,286	105,042
Other Local Authority Grants	60,218	60,218	-
	<u>194,504</u>	<u>194,504</u>	<u>105,042</u>
	<u>6,740,652</u>	<u>6,740,652</u>	<u>6,966,198</u>
<i>Total 2016</i>	<u>6,966,198</u>	<u>6,966,198</u>	

**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<i>Total funds 2016 £</i>
Income from facilities and services	-	6,000	6,000	10,186
Income from contributions to visits	-	64,540	64,540	70,784
Income from catering	-	(253)	(253)	61
Music fees income	-	7,394	7,394	13,310
Other income	-	29,506	29,506	31,897
Private Funds income	32,516	-	32,516	38,526
	<u>32,516</u>	<u>107,187</u>	<u>139,703</u>	<u>164,764</u>
<i>Total 2016</i>	<u>38,526</u>	<u>126,238</u>	<u>164,764</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	373	373	2,750
<i>Total 2016</i>	-	2,750	2,750	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Raising funds	-	-	-	-	2,450
Educational operations:					
Direct costs	4,142,298	-	535,079	4,677,377	4,866,525
Support costs	1,015,243	263,970	498,102	1,777,315	1,614,894
	<b>5,157,541</b>	<b>263,970</b>	<b>1,033,181</b>	<b>6,454,692</b>	<b>6,483,869</b>
<i>Total 2016</i>	5,262,392	218,851	1,002,626	6,483,869	

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	4,677,377	1,777,315	6,454,692	6,481,419
<i>Total 2016</i>	4,866,525	1,614,894	6,481,419	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. DIRECT COSTS**

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	373,248	373,248	368,257
Examination fees	97,725	97,725	116,020
Staff development	13,301	13,301	11,787
Agency supply teaching	38,515	38,515	-
Compensation payments	12,290	12,290	-
Wages and salaries	3,263,850	3,263,850	3,511,414
National insurance	375,740	375,740	333,409
Pension cost	502,708	502,708	525,638
	<u>4,677,377</u>	<u>4,677,377</u>	<u>4,866,525</u>
<i>At 31 August 2016</i>	<u>4,866,525</u>	<u>4,866,525</u>	

**9. SUPPORT COSTS**

	Educational operations £	Total 2017 £	Total 2016 £
Pension finance costs	37,000	37,000	43,000
Recruitment and indirect employee costs	70,005	70,005	41,820
Maintenance of premises and equipment	56,649	56,649	71,408
Insurance	45,484	45,484	38,562
Rates	26,256	26,256	10,922
Other occupancy costs	91,249	91,249	90,952
Catering costs	55,567	55,567	67,021
Administrative and other supplies	80,287	80,287	57,427
Professional Services (non curriculum)	49,612	49,612	48,157
Private Fund Expenditure	23,650	23,650	23,513
Energy costs	89,816	89,816	97,959
Governance costs	11,118	11,118	4,655
Wages and salaries	689,914	689,914	685,641
National insurance	60,047	60,047	47,507
Pension cost	214,827	214,827	158,783
Depreciation	175,834	175,834	127,567
	<u>1,777,315</u>	<u>1,777,315</u>	<u>1,614,894</u>
<i>At 31 August 2016</i>	<u>1,614,894</u>	<u>1,614,894</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	175,834	127,567
Auditors' remuneration - audit	5,575	4,000
Auditors' remuneration- non audit	670	3,005
Operating lease rentals- other operating leases	7,915	7,915
	197,804	145,497

**11. STAFF COSTS**

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	3,948,052	4,197,055
Social security costs	435,787	380,916
Operating costs of defined benefit pension schemes	717,535	684,421
	5,101,374	5,262,392
Apprenticeship levy	5,712	-
Supply teacher costs	38,515	-
Compensation payments	11,940	-
	5,157,541	5,262,392

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

	2017	2016
	No.	No.
Teachers	54	66
Administration and support	50	44
	104	110

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	5
In the band £70,001 - £80,000	3	2
In the band £100,001 - £110,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,250 (2016 - £1,250).

**13. PENSION FINANCE CHARGES**

	2017 £	2016 £
Interest income on pension scheme assets	36,000	46,000
Interest on pension scheme liabilities	(73,000)	(89,000)
	(37,000)	(43,000)
	(37,000)	(43,000)

**14. TANGIBLE FIXED ASSETS**

	Building improvements £	Fixtures and fittings £	Catering equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 September 2016	454,308	233,063	42,879	215,480	32,560	978,290
Additions	698,121	-	-	92,071	-	790,192
At 31 August 2017	1,152,429	233,063	42,879	307,551	32,560	768,482
<b>Depreciation</b>						
At 1 September 2016	13,856	89,281	38,906	120,722	8,140	270,905
Charge for the year	48,161	45,085	1,206	74,870	6,512	175,834
At 31 August 2017	62,017	134,366	40,112	195,592	14,652	446,739
<b>Net book value</b>						
At 31 August 2017	1,090,412	98,697	2,767	111,959	17,908	321,743
At 31 August 2016	440,452	143,782	3,973	94,758	24,420	707,385

**15. DEBTORS**

	2017 £	2016 £
Other debtors	142,781	41,149
Prepayments and accrued income	131,831	98,232
	274,612	139,381
	274,612	139,381

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. CREDITORS: Amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	75,101	8,011
Other taxation and social security	188,818	193,631
Other creditors	12,460	10,714
Accruals and deferred income	21,123	26,265
	297,502	238,621
	297,502	238,621
	2017	2016
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2016	15,221	22,071
Resources deferred during the year	-	15,221
Amounts released from previous years	(15,221)	(22,071)
	-	15,221
	-	15,221

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds - all funds	86,756	32,877	(23,650)	-	-	95,983
Revenue balance from predecessor schools	347,696	-	-	-	-	347,696
	<u>434,452</u>	<u>32,877</u>	<u>(23,650)</u>	<u>-</u>	<u>-</u>	<u>443,679</u>
<b>Restricted funds</b>						
Restricted Funds - all funds	1,409,624	6,848,212	(6,163,208)	(494,516)	-	1,600,112
Pension reserve	(1,833,000)	-	(92,000)	-	607,000	(1,318,000)
	<u>(423,376)</u>	<u>6,848,212</u>	<u>(6,255,208)</u>	<u>(494,516)</u>	<u>607,000</u>	<u>282,112</u>
<b>Restricted fixed asset funds</b>						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Restricted Fixed Asset Funds - all funds	707,385	295,676	(175,834)	494,516	-	1,321,743
Total restricted funds	<u>284,009</u>	<u>7,143,888</u>	<u>(6,431,042)</u>	<u>-</u>	<u>607,000</u>	<u>1,603,855</u>
Total of funds	<u><u>718,461</u></u>	<u><u>7,176,765</u></u>	<u><u>(6,454,692)</u></u>	<u><u>-</u></u>	<u><u>607,000</u></u>	<u><u>2,047,534</u></u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General Funds - all funds	63,801	48,918	(25,963)	-	-	86,756
Revenue balance from predecessor schools	347,696	-	-	-	-	347,696
	<u>411,497</u>	<u>48,918</u>	<u>(25,963)</u>	<u>-</u>	<u>-</u>	<u>434,452</u>



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**17. STATEMENT OF FUNDS (continued)**

**Restricted funds**

Restricted Funds - all funds	683,239	7,095,186	(6,313,339)	(55,462)	-	1,409,624
Pension reserve	(1,161,000)	-	(17,000)	-	(655,000)	(1,833,000)
	<u>(477,761)</u>	<u>7,095,186</u>	<u>(6,330,339)</u>	<u>(55,462)</u>	<u>(655,000)</u>	<u>(423,376)</u>

**Restricted fixed asset funds**

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Restricted Fixed Asset Funds - all funds	565,229	214,261	(127,567)	55,462	-	707,385
	<u>565,229</u>	<u>214,261</u>	<u>(127,567)</u>	<u>55,462</u>	<u>-</u>	<u>707,385</u>
Total restricted funds	<u>87,468</u>	<u>7,309,447</u>	<u>(6,457,906)</u>	<u>-</u>	<u>(655,000)</u>	<u>284,009</u>
Total of funds	<u>498,965</u>	<u>7,358,365</u>	<u>(6,483,869)</u>	<u>-</u>	<u>(655,000)</u>	<u>718,461</u>

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

Restricted fixed asset funds represent funding received for capital expenditure, reduced by depreciation charges over the useful economic life of the assets.

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 August 2017.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	-	-	1,321,743	1,321,743
Current assets	443,679	1,897,614	-	2,341,293
Creditors due within one year	-	(297,502)	-	(297,502)
Provisions for liabilities and charges	-	(1,318,000)	-	(1,318,000)
	<u>443,679</u>	<u>282,112</u>	<u>1,321,743</u>	<u>2,047,534</u>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	707,385	707,385
Current assets	434,452	1,648,245	-	2,082,697
Creditors due within one year	-	(238,621)	-	(238,621)
Provisions for liabilities and charges	-	(1,833,000)	-	(1,833,000)
	<u>434,452</u>	<u>(423,376)</u>	<u>707,385</u>	<u>718,461</u>

**19. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Brent. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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:

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**19. PENSION COMMITMENTS (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £437,864 (2016 - £465,472).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £320,000 (2016 - £341,000), of which employer's contributions totalled £267,000 (2016 - £280,000) and employees' contributions totalled £53,000 (2016 - £61,000). The agreed contribution rates for future years are Brent 27.4% for employers and between 5.5% to 7.5% for employees.

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

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

London Borough of Brent Pension Fund

Principal actuarial assumptions:

	<b>2017</b>	<b>2016</b>
Discount rate for scheme liabilities	<b>2.50 %</b>	2.00 %
Rate of increase in salaries	<b>2.70 %</b>	3.90 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.10 %

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**19. PENSION COMMITMENTS (continued)**

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

	<b>2017</b>	2016
Retiring today		
Males	<b>22.3</b>	22.0
Females	<b>24.5</b>	24.3
Retiring in 20 years		
Males	<b>24.1</b>	24.4
Females	<b>26.4</b>	26.8

	<b>Fair value at 31 August 2017</b>	<i>Fair value at 31 August 2016</i>
	<b>£</b>	<b>£</b>
Equities	<b>1,165,840</b>	998,000
Debt instruments	<b>168,740</b>	409,000
Corporate bonds	-	-
Cash	-	82,000
Property	<b>92,040</b>	147,000
Cash	<b>107,380</b>	-
 Total market value of assets	<b>1,534,000</b>	1,636,000

The actual return on scheme assets was £[enter amount] (2016 - £[enter amount]).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2017</b>	2016
	<b>£</b>	<b>£</b>
Current service cost	<b>(322,000)</b>	(256,000)
Interest income	<b>36,000</b>	46,000
Interest cost	<b>(73,000)</b>	(89,000)
 Total	<b>(359,000)</b>	(299,000)

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**19. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	3,469,000	2,283,000
Current service cost	322,000	256,000
Interest cost	73,000	89,000
Employee contributions	53,000	61,000
Actuarial (gains)/losses	(1,033,000)	852,000
Benefits paid	(32,000)	(70,000)
	<u>2,852,000</u>	<u>3,469,000</u>
Closing defined benefit obligation	<u>2,852,000</u>	<u>3,469,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,636,000	1,122,000
Interest income	36,000	46,000
Actuarial gains/(losses)	(426,000)	197,000
Employer contributions	267,000	280,000
Employee contributions	53,000	61,000
Benefits paid	(32,000)	-
	<u>1,534,000</u>	<u>1,636,000</u>
Closing fair value of scheme assets	<u>1,534,000</u>	<u>1,636,000</u>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	3,881	7,915
Between 1 and 5 years	583	5,041
	<u>4,464</u>	<u>12,956</u>
Total	<u>4,464</u>	<u>12,956</u>

**21. MEMBERS' LIABILITY**

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

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**22. RELATED PARTY TRANSACTIONS**

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

There were no related party transactions during the year.

**23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

Convent of Jesus and Mary Language College is part of the The Diocese of Westminster Academy Trust.

**24. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £26,085 and disbursed £18,173 from the fund. An amount of £7,912 (2016 - £374) is included in other creditors relating to undistributed funds that is repayable to ESFA.