

REGISTERED COMPANY NUMBER: 01780521 (England and Wales)
REGISTERED CHARITY NUMBER: 289048

Strategic Report, Report of the Trustees and
Audited Financial Statements for the Year Ended 31st July 2017
for
St Joseph's School Launceston
(A Company Limited by Guarantee)

Hodgsons
Statutory Auditors
Chartered Accountants
12 Southgate Street
LAUNCESTON
Cornwall
PL15 9DP



St Joseph's School Launceston

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for the Year Ended 31st July 2017

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St Joseph's School Launceston

Reference and Administrative Details
for the Year Ended 31st July 2017

TRUSTEES

A R Gillies
Miss S P Graybow
P A Hicks
D W Jasper
Ms S Lewis
A S H Marshall (resigned 30.12.16)
N R Pockett
Mrs M J Warren
T Watkins
Mrs L M Holmes
Mrs S Rowe (appointed 19.8.16)
J J Langsford (appointed 3.3.17) (resigned 24.4.17)
J L Thorns (appointed 19.4.17)

COMPANY SECRETARY

I Barton

REGISTERED OFFICE

St Stephens Hill
Launceston
Cornwall
PL15 8HN

REGISTERED COMPANY NUMBER

01780521 (England and Wales)

REGISTERED CHARITY NUMBER

289048

SENIOR STATUTORY AUDITOR

James Hodgson BA FCA

AUDITORS

Hodgsons
Statutory Auditors
Chartered Accountants
12 Southgate Street
LAUNCESTON
Cornwall
PL15 9DP

BANKERS

Barclays Bank
6 Broad Street
Launceston
Cornwall

St Joseph's School Launceston
Strategic Report
for the Year Ended 31st July 2017

Charitable activities

Achievements and performance Pupils at St Joseph's School, Launceston celebrated an excellent set of GCSE results with over 90% of pupils achieved 5 or more A* -C grades including Maths and English.

A new fitness suite has been constructed to enhance the physical education curriculum and the old wooden building housing years 9, 10 and 11 has been demolished to make way for a new purpose built facility with new changing rooms and teaching space. Toilet facilities have been upgraded and the website relaunched.

Financial Review

The results for the year are set out on the statement of financial activities. Unrestricted Funds included in note 22 to the accounts amount to £3,661,223 which have been invested in fixed assets. There were also restricted funds of £3,000.

The revenue generated by the School increased during the period and the reduction in the net surplus from the previous year was almost entirely due to upward pressures on staffing costs.

The Governors are now reviewing the cost structure of the business with a view to a period of consolidation after investing heavily in the infrastructure of the School. In addition to this, the uncertainty surrounding possible rises in interest rates coupled with the continuing uncertainty regarding the proposed exit from the European Union, has added to the Governors view that a period of cost restructuring and consolidation is necessary.

Principal funding sources

The school has been funded from a mixture of retained profits and long term finance being provided by bank loans. The current policy is to repay these loans and to fund any new developments from retained profits.

Working capital requirements are met from cash reserves and an overdraft facility to cover short term requirements. The school also carries various insurances against risk which might pose a significant threat to the business.

Investment policy and objectives

There are no restrictions on the company's powers of investment. The board's policy continues to be that of continuing investment in the school.

Reserves policy

The Governors' policy is to improve the facilities of the School and to finance this by building up reserves out of annual operating surpluses.

Going concern

There was a net cash outflow of £161,174 during the year which was due to a high level of investment in the school. A cash surplus is forecast for the next year as a result of a planned reduction in capital expenditure. After making appropriate enquiries, the Governors have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The Governors have identified and reviewed the major risks to which the school is exposed and have established such systems and procedures as they consider necessary to manage those risks. Policies are reviewed regularly unless an incident occurs which suggests a deficiency in the policy, or new legislation or guidance suggests the need for an interim review.

The school's achievements and reputation are linked to the effective education, health and welfare of its pupils, supported by the staff and facilities.

The financial risks faced by the school are that fee income is not sufficient, through lack of pupils, to neither cover expenditure as it falls due nor to invest in staff and facilities. Control procedures are strongly focused to ensure that the school does not overspend and holds sufficient reserves to mitigate the risk. Contingency plans have been made to adjust spending plans quickly should there be any significant shortfall in pupil numbers. The school's recruitment and selection policy is designed to secure the most suitable individuals and the employment policy aims to motivate employees towards the achievement of the school's primary purpose.

The Headmaster encourages all staff to actively promote the school. He has also stressed the importance of effective recruitment of pupils and its positive impact on the finances and development of the school. The school has very comprehensive insurance to cover any damage to property.

Through the risk management processes established for the school, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

There has been no adverse effect experienced as a result of the vote in the referendum on the country's membership of the European Union. However, a number of the pupil's parents are farmers and will be in receipt of the European Agricultural Grants, which the UK government has only guaranteed to match until 2020. The Governors are aware of the financial risks and continue to monitor the potential impact this could have upon the School.

St Joseph's School Launceston

Strategic Report
for the Year Ended 31st July 2017

Future plans

Aims and key objectives for future periods

The School's plan for the future is to continue to ensure the financial viability of the school by maintaining pupil numbers through marketing and plans investment in a cover supervisor to ensure the best allocation of staff time.

Activities planned to achieve aims

Significant investment in staff training is ongoing as is the curriculum review and the consolidation of the School's financial position will ensure future financial viability.

Approved by order of the board of trustees on 6th November 2017 and signed on its behalf by:


.....
Mrs M J Warren - Trustee

St Joseph's School Launceston

Report of the Trustees **for the Year Ended 31st July 2017**

The Governors present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 July 2017.

A number of disclosures previously incorporated in the Governors' Report are now included in the Strategic Report. These include: Business review; Key performance indicators; and Principal risks and uncertainties.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Objects of St Joseph's School are detailed in the Company's Articles of Association.

The principal activity of the charitable company is to operate as a highly successful, non-denominational, non-selective private day school in the South West of England catering for girls and boys aged 3 to 16 years, combining a broad, challenging and high-quality education with excellent pastoral care and extra-curricular opportunity. As a result, the School takes great pride in its young people and what it helps them to achieve, and as such, they develop into confident, well-mannered and responsible individuals who respect others, the school and their environment.

St Joseph's strategic aim is to provide an excellent all-round academic education, which challenges, stretches and develops pupils into assured young adults. It also seeks to develop all pupils through a wide ranging programme of extra-curricular and community-based activities together with Duke of Edinburgh awards and the Ten Tors challenge.

St Joseph's has an inclusive admissions policy, but is academically ambitious for every pupil.

Significant activities

The objective of the school is to educate the whole person, providing its pupils with the ability to fulfil their potential both academically and socially in a stimulating educational environment.

To ensure that St Joseph's provides the highest standard of education and pastoral care and enables pupils to engage in a wide range of academic and extra-curricular activities.

To encourage pupils to achieve an education which reflects the best of their ability and that allows each pupil to establish themselves in higher education.

To provide financial support in the form of Bursaries to current and future pupils who would otherwise be unable to follow the independent education path.

To continue to improve the infrastructure and facilities to provide an environment which is secure, safe and offers the widest range of activities and opportunities to enable pupils to gain the most from their education and to ensure they meet the legislative and quality standards to provide a safe and pleasant working environment for staff.

To maintain a staff to pupil ratio which delivers a high standard of education, care, support and supervision.

To provide staff with the support and opportunities to develop and progress their careers whilst employed by St Joseph's School.

It is the aim of St Joseph's School to:-

- Nurture every child as an individual to reach their full potential in a secure, positive, fair environment;
- To be a place where value is equally given to academic achievement and to the wider areas of the curriculum, including the arts, sport and music in its widest sense;
- To maintain a team of professional teachers who share their subjects with enthusiasm and drive and foster in pupils a love of learning;
- To encourage pupils to become confident, competent individuals ready to face the adult world.

It is the aim of the governors to:-

- Cherish a community which maintains its fine traditions in partnership with parents, teachers and the wider community;
- To provide sound values for the pupils;
- To support members of staff in all aspects of their work.

Public benefit

The Governors confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

St Joseph's School Launceston

Report of the Trustees **for the Year Ended 31st July 2017**

OBJECTIVES AND ACTIVITIES

Grantmaking

Wider access to schooling was achieved during 2016/17 with a total of £179,826 awarded in scholarships, Governors Awards and Bursaries to pupils. The school does not have an endowment fund and in granting awards has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable sacrifices to fund their child's education, and those benefitting from awards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The school is a company limited by guarantee, not having a share capital, and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the school.

Recruitment and appointment of new Governors

The Board of Governors is made up of Foundation and Parent Governors. Up to 7 Foundation Governors are appointed to serve for 5 years by the other Governors and may stand for re-election for a further 5 years, but thereafter will be ineligible for re-appointment.

The Parent Governors are appointed by members of the Association. Eligible persons are anyone who has a child or children in full time attendance at the school. The Parent Governors serve for an initial period of 3 years, after which, they may stand for re-election for a further 3 years if they are still eligible under the aforementioned criteria.

Organisational structure

The Governors determine the general policy of the school. The day-to-day management of the school is delegated to the Headteacher and the Bursar.

Induction and training of new Governors

Governors are encouraged to attend training days organised by the Association of Governing Bodies of Independent Schools and similar organisations as well as seminars by the School's professional advisers. In addition, Governors receive regular briefings on aspects of the School's pastoral and educational provision.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of St Joseph's School Launceston for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

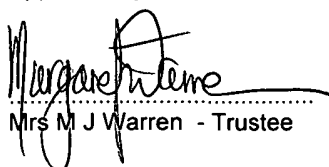
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Hodgsons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 6th November 2017 and signed on its behalf by:


Mrs M J Warren - Trustee

Report of the Independent Auditors to the Members of
St Joseph's School Launceston

Opinion

We have audited the financial statements of St Joseph's School Launceston (the 'charitable company') for the year ended 31st July 2017 on pages eight to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2017 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report of the Independent Auditors to the Members of
St Joseph's School Launceston

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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



James Hodgson BA FCA (Senior Statutory Auditor)
for and on behalf of Hodgsons
Statutory Auditors
Chartered Accountants
12 Southgate Street
LAUNCESTON
Cornwall
PL15 9DP

Date: 7 November 2017

St Joseph's School Launceston

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st July 2017

	Notes	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	499	-	499	5,193
Charitable activities	5				
General		4,100	-	4,100	1,425
Teaching		2,036,330	-	2,036,330	1,980,824
Transport		109,888	-	109,888	110,687
Investment income	4	13,233	-	13,233	13,235
Other income		1,761	-	1,761	13,390
Total		2,165,811	-	2,165,811	2,124,754
EXPENDITURE ON					
Charitable activities	6				
General		7,661	-	7,661	-
Teaching		1,410,055	1,000	1,411,055	1,234,462
Welfare		44,136	-	44,136	70,060
Premises		266,274	-	266,274	232,059
Transport		107,004	-	107,004	84,099
Support		164,154	-	164,154	287,188
Other		103	-	103	-
Total		1,999,387	1,000	2,000,387	1,907,868
NET INCOME/(EXPENDITURE)		166,424	(1,000)	165,424	216,886
RECONCILIATION OF FUNDS					
Total funds brought forward		3,494,799	4,000	3,498,799	3,281,913
TOTAL FUNDS CARRIED FORWARD		3,661,223	3,000	3,664,223	3,498,799

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

St Joseph's School Launceston (Registered number: 01780521)

**Statement of Financial Position
At 31st July 2017**

	Notes	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	13	4,153,092	3,000	4,156,092	3,816,371
Investment property	14	367,500	-	367,500	367,500
		<u>4,520,592</u>	<u>3,000</u>	<u>4,523,592</u>	<u>4,183,871</u>
CURRENT ASSETS					
Stocks	15	1,709	-	1,709	1,529
Debtors	16	97,983	-	97,983	86,572
Cash at bank and in hand		1,852	-	1,852	28,020
		<u>101,544</u>	<u>-</u>	<u>101,544</u>	<u>116,121</u>
CREDITORS					
Amounts falling due within one year	17	(504,105)	-	(504,105)	(213,784)
NET CURRENT ASSETS/(LIABILITIES)		<u>(402,561)</u>	<u>-</u>	<u>(402,561)</u>	<u>(97,663)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,118,031</u>	<u>3,000</u>	<u>4,121,031</u>	<u>4,086,208</u>
CREDITORS					
Amounts falling due after more than one year	18	(456,808)	-	(456,808)	(587,409)
NET ASSETS		<u>3,661,223</u>	<u>3,000</u>	<u>3,664,223</u>	<u>3,498,799</u>
FUNDS	22				
Unrestricted funds:					
General fund				880,074	683,475
Revaluation Reserve - Freehold Property				2,468,290	2,498,465
Revaluation Reserve - Investment Property				312,859	312,859
				<u>3,661,223</u>	<u>3,494,799</u>
Restricted funds				3,000	4,000
TOTAL FUNDS				<u>3,664,223</u>	<u>3,498,799</u>

The financial statements were approved by the Board of Trustees on 6th November 2017 and were signed on its behalf by:


Mrs M J Warren -Trustee


Mrs L M Holmes -Trustee

The notes form part of these financial statements

St Joseph's School Launceston

Statement of Cash Flows
for the Year Ended 31st July 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	27	419,346	343,502
Interest paid		(22,086)	(16,113)
Interest element of hire purchase and finance lease rental payments		(697)	(1,003)
Net cash provided by (used in) operating activities		396,563	326,386
Cash flows from investing activities:			
Purchase of tangible fixed assets		(505,983)	(310,588)
Sale of tangible fixed assets		800	2,494
Net cash provided by (used in) investing activities		(505,183)	(308,094)
Cash flows from financing activities:			
Capital repayments in year		(52,554)	(48,931)
Net cash provided by (used in) financing activities		(52,554)	(48,931)
Change in cash and cash equivalents in the reporting period		(161,174)	(30,639)
Cash and cash equivalents at the beginning of the reporting period	2	28,020	58,659
Cash and cash equivalents at the end of the reporting period	2	(133,154)	28,020

The notes form part of these financial statements

St Joseph's School Launceston

Notes to the Financial Statements **for the Year Ended 31st July 2017**

1. STATUTORY INFORMATION

St Joseph's School Launceston Limited is a private charitable company, limited by guarantee, registered in England and Wales. The registered company number is 01780521 and the registered charity number is 289048. The registered office is St Stephens Hill, Launceston, Cornwall, PL15 8HN.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Deferred income

School fees received in advance are included within creditors and are recognised when the charity has the right to these fees.

Incoming resources

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the funds, which is when certainty of receipt and the amount can be measured with sufficient reliability.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

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

Allocation and apportionment of costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor area's, or per capita, staff costs by the time spent and other costs by their usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 4% on cost, 2% on cost and Straight line over 15 years
Furniture and equipment	- 20% on cost
Motor vehicles	- 25% on reducing balance

The value of land included in the balance sheet but not depreciated is £884,073.

The school land and buildings are included at valuation, the basis of which is market value on the basis of depreciated replacement cost. This assumes the hypothetical construction of a modern substitute building or buildings of a similar size to the subject property with adjustments to reflect age and obsolescence. Any improvements carried out between valuations are recorded at cost.

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are accounted for in accordance with FRS 102 and are revalued annually at their open market value. Any gains on revaluation are posted directly to the profit and loss account, with any loss on revaluation being posted to the revaluation reserve, except where the deficit reduces the property below its historical cost, in which case it is taken to the profit and loss account.

No depreciation is provided on investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the Governors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view. The provisions of FRS 102 in respect of investment properties have therefore been adopted in order to give a true and fair view. If this departure from the Act had not been made, the net movement in funds for the year would have been reduced by depreciation.

However, the amount of depreciation cannot reasonably be quantified and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight liner basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the charity, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Pension benefits

Non-teaching staff

The school operates a defined contribution scheme for certain non-teaching staff. Contributions are charged in the year in which they become payable.

Teachers' Pension

The Teachers' Pension is a contributory final salary pension scheme, but as the scheme is multi employer it is not possible for the school to identify its share of the scheme assets and liabilities. Accordingly contributions are accounted for as if the scheme were a defined contribution scheme. Further details of the scheme are given in the notes to the financial statements.

Presentation currency

The financial statements are presented in pound sterling and rounded to the nearest pound.

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

3. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Donations	<u>499</u>	<u>-</u>	<u>499</u>	<u>5,193</u>

Donations and legacies are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Rents received	<u>13,233</u>	<u>-</u>	<u>13,233</u>	<u>13,235</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2017 £	2016 £
Registration fees	General	4,100	1,425
Fees	Teaching	2,393,913	2,304,491
Scholarships	Teaching	(104,824)	(120,132)
Means Tested Bursaries	Teaching	(65,127)	(39,353)
Means Tested Governors' Awards	Teaching	(9,875)	(15,719)
Staff discounts	Teaching	(79,291)	(38,921)
Sibling discounts	Teaching	(45,116)	(34,305)
Discounts	Teaching	(53,350)	(75,237)
Transport income	Transport	109,888	110,687
		<u>2,150,318</u>	<u>2,092,936</u>

Fees receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school.

The School offers parents the opportunity to pay for tuition fees in advance in accordance with a written contract. The amounts received are held as creditors, the income being released in the term to which it relates.

During the year ended 31 July 2017 the school received £52,476 of fees in advance, with £51,948 of the fees in advance brought forward being released to income.

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Teaching	1,333,525	77,530	1,411,055
Welfare	-	44,136	44,136
Premises	181,141	85,133	266,274
Transport	43,030	63,974	107,004
Support	64,313	99,841	164,154
General	-	7,661	7,661
	<u>1,622,009</u>	<u>378,275</u>	<u>2,000,284</u>

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017	2016
	£	£
Staff costs	1,456,649	1,404,495
Depreciation	165,360	152,043
	<u>1,622,009</u>	<u>1,556,538</u>

8. SUPPORT COSTS

	Other	Governance	Totals
	£	costs	£
General	7,661	-	7,661
Teaching	77,530	-	77,530
Welfare	44,136	-	44,136
Premises	85,133	-	85,133
Transport	63,974	-	63,974
Support	92,041	7,800	99,841
	<u>370,475</u>	<u>7,800</u>	<u>378,275</u>

9. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Auditors' remuneration	7,800	7,080
Depreciation - owned assets	163,272	149,259
Depreciation - assets on hire purchase contracts and finance leases	2,088	2,784
Deficit/(surplus) on disposal of fixed asset	103	(11,034)
	<u>173,263</u>	<u>168,157</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st July 2017 nor for the year ended 31st July 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st July 2017 nor for the year ended 31st July 2016.

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

11. STAFF COSTS

	2017 £	2016 £
Wages and salaries	1,230,850	1,208,178
Social security costs	95,035	76,201
Other pension costs	130,764	120,116
	<u>1,456,649</u>	<u>1,404,495</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Teaching staff	36	36
Administrative / Grounds staff	22	22
Welfare staff	3	3
Transport staff	4	4
	<u>65</u>	<u>65</u>

No employees received emoluments in excess of £60,000.

Of the average staff there were 18 full time employees and 47 part time employees, with the estimate of equivalent number of full time staff being 44 employees.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	193	5,000	5,193
Charitable activities			
General	1,425	-	1,425
Teaching	1,980,824	-	1,980,824
Transport	110,687	-	110,687
Investment income	13,235	-	13,235
Other income	13,390	-	13,390
Total	<u>2,119,754</u>	<u>5,000</u>	<u>2,124,754</u>
EXPENDITURE ON			
Charitable activities			
Teaching	1,233,462	1,000	1,234,462
Welfare	70,060	-	70,060
Premises	232,059	-	232,059
Transport	84,099	-	84,099
Support	287,188	-	287,188
Total	<u>1,906,868</u>	<u>1,000</u>	<u>1,907,868</u>
NET INCOME/(EXPENDITURE)	<u>212,886</u>	<u>4,000</u>	<u>216,886</u>

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	3,281,913	-	3,281,913
TOTAL FUNDS CARRIED FORWARD	3,494,799	4,000	3,498,799

13. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Furniture and equipment £	Motor vehicles £	Totals £
COST					
At 1st August 2016	3,668,032	41,606	491,975	131,150	4,332,763
Additions	93,140	295,319	117,524	-	505,983
Disposals	-	-	-	(12,337)	(12,337)
Reclassification	78,751	(78,751)	-	-	-
At 31st July 2017	3,839,923	258,174	609,499	118,813	4,826,409
DEPRECIATION					
At 1st August 2016	115,910	-	301,414	99,068	516,392
Charge for year	65,126	-	92,214	8,020	165,360
Eliminated on disposal	-	-	-	(11,435)	(11,435)
At 31st July 2017	181,036	-	393,628	95,653	670,317
NET BOOK VALUE					
At 31st July 2017	3,658,887	258,174	215,871	23,160	4,156,092
At 31st July 2016	3,552,122	41,606	190,561	32,082	3,816,371

The freehold land and buildings class of fixed assets was revalued on 14 July 2014 by Philip Waite, RICS Registered Valuer, of independent chartered surveyors Aitchison Raffety who is external to the charity. The basis of this valuation was depreciated replacement cost basis. This class of assets has a current value of £3,658,887 (2016: £3,552,122) and a carrying amount at historical cost of £1,489,031 (2016: £1,317,140). The depreciation on historical cost is £298,434 (2016: £263,633).

The Governors are not aware of any material changes to the valuation since the valuation date other than the cost of improvements carried out since the last full valuation which have been capitalised.

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

13. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st August 2016	26,394
Transfer to ownership	(26,394)
At 31st July 2017	-
DEPRECIATION	
At 1st August 2016	18,043
Charge for year	2,088
Transfer to ownership	(20,131)
At 31st July 2017	-
NET BOOK VALUE	
At 31st July 2017	-
At 31st July 2016	8,351

14. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1st August 2016 and 31st July 2017	367,500
NET BOOK VALUE	
At 31st July 2017	367,500
At 31st July 2016	367,500

The school owns property, known as The Headmaster's House, which is used for investment purposes. The property was professional revalued on 14 July 2014 by Philip Waite, RICS Registered Valuer, of independent chartered surveyors Aitchison Raffety, who is external to the charity at £350,000. The Governors who are internal to the charity revalued the property to £367,500 on 31 July 2015.

The Governors are of the opinion that this value still reflects the current open market value.

15. STOCKS

	2017 £	2016 £
Stocks	1,709	1,529

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	92,551	83,615
Other debtors	4,276	-
Prepayments	1,156	2,957
	97,983	86,572

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 19)	162,278	44,270
Hire purchase (see note 20)	-	4,399
Trade creditors	48,578	46,906
Social security and other taxes	40,420	37,537
Other creditors	73,301	9,403
Advance fee payments	166,405	55,322
Accrued expenses	13,123	15,947
	<u>504,105</u>	<u>213,784</u>

There has been a change in the accounting treatment of Advance fee payments during 2017, with all amounts now included within creditors due in one year. In the 2016 accounts there was £99,445 of Advance fee payments included in creditors due after more than one year.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans (see note 19)	456,808	487,964
Advance fee payments	-	99,445
	<u>456,808</u>	<u>587,409</u>

19. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	135,006	-
Bank loans	-	18,000
Mortgage	27,272	26,270
	<u>162,278</u>	<u>44,270</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	2,498
Mortgage	109,087	105,080
	<u>109,087</u>	<u>107,578</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	347,721	380,386
	<u>347,721</u>	<u>380,386</u>

20. LEASING AGREEMENTS

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	-	4,399
	<u>-</u>	<u>4,399</u>

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

20. LEASING AGREEMENTS - continued

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

	2017 £	2016 £
Between one and five years	<u>6,480</u>	<u>9,720</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	484,080	532,234
Hire purchase contracts	-	4,399
	<u>484,080</u>	<u>536,633</u>

Bank borrowings are secured by a legal charge over the school land and buildings and the property known as The Headmaster's House, St Joseph's School, Launceston.

22. MOVEMENT IN FUNDS

	At 1.8.16 £	Net movement in funds £	Transfers between funds £	At 31.7.17 £
Unrestricted funds				
General fund	683,475	166,424	30,175	880,074
Revaluation Reserve - Freehold Property	2,498,465	-	(30,175)	2,468,290
Revaluation Reserve - Investment Property	312,859	-	-	312,859
	<u>3,494,799</u>	<u>166,424</u>	<u>-</u>	<u>3,661,223</u>
Restricted funds				
Friends of the School Fund	4,000	(1,000)	-	3,000
	<u>3,498,799</u>	<u>165,424</u>	<u>-</u>	<u>3,664,223</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,165,811	(1,999,387)	166,424
Restricted funds			
Friends of the School Fund	-	(1,000)	(1,000)
	<u>2,165,811</u>	<u>(2,000,387)</u>	<u>165,424</u>

23. CAPITAL COMMITMENTS

	2017 £	2016 £
Contracted but not provided for in the financial statements	<u>1,492</u>	<u>200,937</u>

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

24. RELATED PARTY DISCLOSURES

During the year Mrs M J Warren, who is a trustee and chairman of the charity loaned St Josephs School Launceston £50,000. The full amount was outstanding at the year end and included within other creditors. This balance is unsecured and no interest has been charged on the loan. The loan was repaid in full subsequent to the year end on 30th August 2017.

St Joseph's School Launceston

Notes to the Financial Statements - continued **for the Year Ended 31st July 2017**

25. DEFINED BENEFIT PENSION SCHEMES

The Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pensions Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of Monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.0%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2004 -31 March 2012. The GA's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed rate of return is 3.0% in excess of prices. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable. These revised contributions were implemented from 1 September 2015.

Scheme Changes

From 1 September 2015, the employer contribution rate increased to 16.4%. From 1 April 2015, the TPS was reformed, with a different benefit structure for a number of members. These changes were allowed for in the contribution rate set out above.

In the year ended 31 July 2017 the employer contributions payable by the school was £129,244 (2016: £118,686).

Contributions payable to the pension scheme at the end of the year were £16,373 (2016: £16,067).

Non Teaching Staff

The employers contributions to the non-teaching staff defined contribution scheme during the year was £1,520 (2016: £1,430).

St Joseph's School Launceston

Notes to the Financial Statements - continued
for the Year Ended 31st July 2017

25. DEFINED BENEFIT PENSION SCHEMES

26. FUNDS

General Fund

The general fund covers the operation of the school.

Friends of the School Fund

Donations received from the friends of the school are used for the benefit of the students.

27. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	165,424	216,886
Adjustments for:		
Depreciation charges	165,360	152,043
Loss/(profit) on disposal of fixed assets	103	(11,034)
Interest paid	22,086	16,113
Interest element of hire purchase and finance lease rental payments	697	1,003
Increase in stocks	(180)	(1,529)
Increase in debtors	(11,411)	(28,969)
Increase/(decrease) in creditors	77,267	(1,011)
Net cash provided by (used in) operating activities	419,346	343,502
	2017 £	2016 £
Cash in hand	443	1,466
Notice deposits (less than 3 months)	1,409	26,554
Overdrafts included in bank loans and overdrafts falling due within one year	(135,006)	-
Total cash and cash equivalents	(133,154)	28,020