

REGISTERED COMPANY NUMBER: 07713392 (England and Wales)
REGISTERED CHARITY NUMBER: 1149466

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 August 2018
for
Nottingham Roman Catholic Diocesan Education Service
(A Company Limited by Guarantee)

Higson & Co
Chartered Accountants
White House
Wollaton Street
Nottingham
Nottinghamshire
NG1 5GF

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for the Year Ended 31 August 2018

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Nottingham Roman Catholic Diocesan Education Service

Report of the Trustees for the Year Ended 31 August 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 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)

Charity constitution

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 21 July 2011.

The Charity is constituted under a Memorandum of Association dated 21 July 2011 and is a registered charity number 1149466.

The Nottingham Roman Catholic Diocesan Education Service is a company born out of the Nottingham Roman Catholic Diocesan Trust. Its purpose is to support the development of Catholic education in schools and academies in the Diocese of Nottingham.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity is committed to challenging and supporting all its schools and academies to become good and outstanding providers of Catholic education.

Directors of Catholic schools are to take care under the watchfulness of the local ordinary that the instruction which is given in them is at least as academically distinguished as that in the other schools of the area.

The Charity will seek to broker or provide expertise across a range of skills such as business acumen, legal advice, financial management and administration in order to support this drive for school improvement across the diocese.

The Charity is particularly determined to play a pivotal role in supporting its schools and academies serving the most disadvantaged communities in order to improve the life chances of pupils and to raise the aspirations of their families so that young people have the opportunities they need to enable them to achieve their potential and to live life to the full.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Charity will bring added drive, expertise and capacity to any low performing schools within the diocese by acting as a sponsor. It will do this through having a more direct influence at local governing body level. As the Charity will be accountable for standards in the sponsored school, it will want to have direct input into any advice brokered or provided for the school and will closely monitor the impact of the actions taken.

The Charity will take the lead on improvement and will continue to challenge traditional ways of thinking on how schools are run and what they should be like for students. The Charity will seek to achieve success and will challenge any low aspirations.

The Charity will contribute to the following key success factors in securing school improvement and raising standards:

in all schools and academies by:

continuing to promote our distinctive Catholic values and ethos in our home, school and parish communities

helping articulate a clear educational vision that champions the ability of all children to achieve their potential and has buy in at all levels in school and which is clearly underpinned by our Catholic faith

recruitment, retention and development of successful school leaders with a commitment to nurturing their own personal faith and professional development as leaders of Catholic communities

developing effective governance arrangements

promoting sound financial management skills and rigorously pursuing value for money.

in sponsored academies by:

providing strong challenge and support to school leadership, ensuring the infra structure and systems for effective leadership and management are in place, to ensure rapid improvement

OBJECTIVES AND ACTIVITIES

Objectives and aims

monitoring clearly defined aspirational and challenging targets and ensuring improvement in performance

establishing effective partnerships with key stakeholders, particularly with our outstanding schools and academies

providing coherent strategic planning for the development of the sponsored academy

Significant activities

The principal objects of the Charity are specifically restricted to such charitable purposes as the Directors in their absolute discretion think fit including, but not limited to, the advancement of the mission of the Catholic Church through education and faith formation in the United Kingdom.

Public benefit

In setting our objectives and planning our activities, the Directors have given careful consideration to the Charity Commission general guidelines in public benefit.

Social investments

The Charity aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

The Charity aims to spend the monies with which it is entrusted for the direct benefit of its service users as soon as is prudent.

The charity does not consider the investment of surplus funds as a primary activity and has no plans for social investment during 2018-19.

Report of the Trustees
for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Director of Education makes a report on the ongoing work of the Charity at each Board meeting. A key area of the work of the Charity continues to be in supporting the improvement of its sponsored academies as well as the academy conversion programme and providing ongoing support to Directors of Academy Trusts. Legal articles and other documents were approved by Nottingham Roman Catholic Diocesan Trustees following extensive work by the Charity and our lawyers, Browne Jacobson. We continue to update the legal documents in accordance with changes in the law or in response to need. We have the following multi academy trusts in the Diocese of Nottingham:

South Nottingham Catholic Academy Trust (Becket cluster)
St. Robert Lawrence Catholic Academy Trust (St. John Houghton cluster)
Northern Lincolnshire Catholic Academy Trust (St. Bede's cluster)
Corpus Christi Catholic Academy Trust (St. Paul's cluster)
Blessed Cyprian Tansi Catholic Academy Trust (De Lisle cluster)
St. Barnabas Catholic Academy Trust (The Trinity cluster)
St. Dominic's Catholic Academy Trust (St. Martin's cluster)
Holy Family Catholic Academy Trust (St. Benedict cluster)
Pax Christi Catholic Academy Trust (Christ the King cluster)
St. Gilbert of Sempringham Catholic Academy Trust (Lincolnshire schools)
The Aquinas Catholic Academy Trust (All Saints cluster)

The following are our sponsored academy trusts:

St. Augustine's Catholic Academy Trust (Nottingham)
St. John Fisher Catholic Academy Trust (Derby)
St Philip Howard Catholic Academy (Glossop)
St Edward's catholic Academy (Derbyshire)

Overall, just over 60% of our schools are now academies.

The Charity has hosted a number of briefings and training sessions on academies and the role of Directors for head teachers and governors. General information and updates have been given as well as information on finance, insurance and legal matters. Presentations have been given at these conferences by some of our partner organisations e.g. CCIA, Browne Jacobson, Mazars, Churchmarketplace, etc. The Director of Education continues to respond to requests for advice on academy conversion and development from other diocese.

Diocesan Canonical Inspections (DCI)

The Deputy Director of the Charity has responsibility for Diocesan Canonical Inspections. The new framework and schedule is now well embedded across the diocese. The inspection framework covers Catholic life, collective worship and religious education.

Director/Governor Support

The Charity continues to support governing bodies and academy trusts on a range of matters by providing guidance, support and sending advisers to attend panel meetings where required. The NRCDES supports with recruitment of senior staff, appointment of foundation governors and advice on policies, admissions and appeals and staffing matters, among other things.

Working towards the establishment of the new Catholic Multi Academy Trusts meant that considerable time and resources were devoted within the year to the rationalisation of the exiting catholic academy trusts into four new larger catholic multi academy trusts within the Diocese of Nottingham leading up to the implementation date of 1st September 2018.

Report of the Trustees
for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

Primary & Secondary R.E. Advisers

Subject leaders and co-ordinators attend termly meetings and training sessions. This year the NRCDES have continued to provide extensive training on the new primary curriculum, Come and See. A number of Lead Teachers for Primary R.E. have been appointed to support the work of the Charity. As well as Heads of Department briefings, secondary staff are supported by an additional opportunity to develop their own theological understanding around the topics to be taught in the forthcoming term.

Primary Headteachers' Conference and Bishop's Day Conference

These two popular annual events are always well reviewed and allow the Charity to support Headteacher's and senior staff in reflecting on their mission as leaders of Catholic schools.

Resource Centre and Bookshop

The NRCDES continues to run a successful bookshop and resource centre.

Other Meetings

The Director of Education, or other designated NRCDES officer, attends a range of meetings with Local Authorities and other Diocese.

School Standards

This was an area of particular focus during the course of the year, led by the Deputy Director, with the objective to continue to drive improvements in standards within our schools.

The Regional Academy Growth Funding was utilised to support work within sponsored academies and other targeted schools.

Financial review

Financial position

Incoming resources for the period were £886,640 and resources expended of £1,046,968. The net deficit for the period is £160,328.

The balance sheet has a healthy balance of net assets totalling £412,785.

Investment policy and objectives

The organisation does not have any investments. The organisation manages its cash by reviewing the short and medium term requirements for funds. The organisation will consider the establishment of a programme of short term investments of surplus cash balances for restricted time periods following analysis of available reserves, if needed.

Reserves policy

The Directors' policy is to review the reserve level of the organisation annually. The policy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. The Directors reserve the right to carry forward internal under/over spends.

Report of the Trustees
for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial review

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Charity 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Future plans

The Charity reviews its strategic development on an ongoing basis.

The Charity has further embedded its support for sponsored academies to ensure that progress in raising standards in these academies is rapid and sustainable; three of the sponsored academies have now been judged as "good" by Ofsted. It continues to develop ways of effectively monitoring standards in all its schools and academies as the role of the LA falls away. This work is ongoing.

The NRCDES is working towards the establishment of four new larger Catholic Multi-Academy Trusts (CMATs) within the Diocese of Nottingham with effect from 1st September 2018. All Diocesan Schools will be part of one of these new CMATs. This will also affect the sponsor arrangements for those schools presently sponsored by NRCDES. Sponsor arrangements for those schools will transfer to the new CMATs as follows:

St Augustine's Catholic School Nottingham will be sponsored by the Our Lady of Lourdes Catholic Multi-Academy Trust.

St John Fisher Catholic Academy Derby, St Edward's Catholic Academy Swadlincote and St Philip Howard Catholic Academy Glossop will be sponsored by the St Ralph Sherwin Catholic Multi-Academy Trust.

The Charity is planning to work closely as a strategic partner with the new NCTSA to encourage greater school to school support and further training and career development opportunities for teachers and leaders at all levels in Catholic schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The management of the Charity is the responsibility of the Directors who are elected and co opted under the terms of the Articles of Association.

All new Directors are invited to meet with the Chair or the Director of Education to be briefed on the work of the company and the role of the Board and sub committees. They are provided with a copy of the company Business Plan and details of Board and Committee meetings including terms of reference. A 'Code of Conduct for Directors' and a 'Guide to Being a Director' are being prepared and will be shared with all Directors once they have been cleared by the Board. Directors are provided with details of training sessions on governance and the role of Directors delivered either directly by the company or by partner organisations and are encouraged to attend.

All Directors are required to declare their business interests annually.

The Articles of Association are currently being reviewed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The management of the Charity is the responsibility of the Directors who are appointed under the terms of the Articles of Association. The Articles state:

The number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The first Directors shall be those persons notified to Companies House as the first Directors of the charity.

Subject to Article 30(1)(c), the Bishop of Nottingham shall be entitled (but not obliged) to appoint up to 8 Directors of the charity and at any time to remove his nominated Directors from office.

The Bishop of Nottingham shall be a director appointed in accordance with Article 30(1)(a).

The charity may by ordinary resolution appoint a person who is willing to act to be an additional Director or fill a vacancy provided he or she is recommended by not less than two thirds of the Directors; and he or she would not be disqualified from acting under article 37.

The appointment of a Director, whether by the charity in general meeting or by the other Directors, must not cause the number of Directors to exceed any number fixed as the maximum number of Directors.

A Director shall cease to hold office if he resigns his office by notice to the Charity (but only if at least two Directors will remain in office when the notice of resignation is to take effect). A Director shall cease to hold office if he is removed by the person or persons who appointed him.

The Directors are responsible for the strategic direction of the Charity. They review progress towards objectives and outcomes and approve major expenditure requests, set the budget for the following year and set the staffing structure.

To support them to carry out these responsibilities the Board have established three sub committees with the following functions delegated to them by the Directors:

Finance, Capital and Staffing Committee

Responsible for approval of the Company Accounts and budget, monitoring financial performance, reviewing the Financial Control and Inspection Procedures, reviewing staffing policies and salaries and providing support generally on staffing to the Director of Education.

Standards Committee

Responsible for monitoring information and data in relation to all diocesan schools and academies in terms of both Ofsted and Diocesan Conical Inspection frameworks.

Sponsored Academies Committee

Responsible for maintaining an overview of management, standards and attainment in sponsored academies, considering proposals for use of school improvement funds and making recommendations for additional support.

The sub committees meet regularly and at least termly and report to each meeting of the Board making, for example, recommendations on policy.

Day to Day Management

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Director of Education has overall responsibility for the day to day financial management of the organisation and has responsibility for the general management, leadership and development of the organisation supported by the Directors. The Director of Education meets regularly with the Diocesan Episcopal Vicar for Catholic Education and the staff team to review progress and performance and to develop strategic plans to meet the evolving needs of the organisation which are submitted to the Board for their approval.

Key management remuneration

The Board of directors at present set the pay level for the Director of Education by reference to the salaries paid for similar jobs in other Catholic Diocese. Levels of pay for other senior members of staff are determined by ensuring a differential that recognises the differing levels of responsibility and accountability for each role.

Our overall policy is to ensure parity within the pay scales in education.

The policy is reviewed annually and will be adjusted if necessary to reflect changes in Education Policy as the move towards academisation for all schools.

Related parties

The Charity will work in partnership with all schools and academies in the Diocese of Nottingham for the benefit of children and young people in their care and for the advancement of Catholic education.

In addition, the Charity will work in closer partnership with sponsored academy trusts to offer rigorous challenge and support for school improvement whilst at the same time seeking to strengthen the Catholic ethos and identity of schools and academies in its care.

The Charity will promote and support the development of effective partnerships between the Charity as sponsor and the governing body, principal and senior leadership team of the school through:

appointing an appropriate person to Chair meetings of the Academy Trust and/or Governing Body

challenging progress in all areas of the school's operation whilst providing support and guidance aimed at promoting success

reporting to the Department for Education and to the Charity's Board of Directors on the performance of the academy, and where necessary establishing a plan of action to improve performance

setting up committees with a specific focus to monitor aspects of academy life

leading involvement with parents, parish and the wider community, to promote the academy and support community development

ensuring value for money and good use of public funds, and leveraging in other finance and resources when needed.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07713392 (England and Wales)

Report of the Trustees
for the Year Ended 31 August 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1149466

Registered office

The Diocesan Centre
Mornington Crescent
Mackworth
Derby
DE22 4BD

Trustees

Mrs B M Carson	- resigned 1.10.18
R J Carter	- resigned 8.1.18
M F Cummins	
Reverend M J Hardy	
G A Hirst	
Reverend J E Kyne	
J W McGeachie	- resigned 8.1.18
Right Rev P J McKinney	
B P Monaghan	
Mrs L M O'Brien	
Mrs P M A Tonge	- resigned 19.1.18
D A Wilson	
Ms K M Cohoon	- appointed 1.10.18
Ms A Gillespie	- appointed 15.1.19
J Lynch	- appointed 1.5.18

Company Secretary

N Weightman

Independent examiner

David Wallwork
Institute of Chartered Accountants England and Wales
Higson & Co
Chartered Accountants
White House
Wollaton Street
Nottingham
Nottinghamshire
NG1 5GF

Name of the Director of Education delegated with day to day management:

Peter Giorgio

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Charity acts as intermediary agent on behalf of Catholic Diocesan schools and academies in respect of capital projects, therefore hold funds as custodian. These funds are separately identifiable from those the Charity is entitled to.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Nottingham Roman Catholic Diocesan Education Service

Report of the Trustees
for the Year Ended 31 August 2018

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 4 April 2019 and signed on the board's behalf by:

Right Rev P J McKinney - Trustee

Independent examiner's report to the trustees of Nottingham Roman Catholic Diocesan ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2018.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants England and Wales which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Independent Examiner's Report to the Trustees of
Nottingham Roman Catholic Diocesan Education Service

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

David Wallwork
Institute of Chartered Accountants England and Wales
Higson & Co
Chartered Accountants
White House
Wollaton Street
Nottingham
Nottinghamshire
NG1 5GF

4 April 2019

Nottingham Roman Catholic Diocesan Education Service

Statement of Financial Activities
for the Year Ended 31 August 2018

	Not es	Unrestricted fund £	Restricted fund £	31/8/18 Total funds £	31/8/17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	178	-	178	761
Charitable activities	5				
Charitable activities		591,182	219,082	810,264	663,421
Other trading activities	3	75,941	-	75,941	54,329
Investment income	4	257	-	257	178
Total		667,558	219,082	886,640	718,689
EXPENDITURE ON					
Charitable activities	6				
Charitable activities		824,745	219,082	1,043,827	715,185
Other		3,141	-	3,141	-
Total		827,886	219,082	1,046,968	715,185
NET INCOME/(EXPENDITURE)		(160,328)	-	(160,328)	3,504
RECONCILIATION OF FUNDS					
Total funds brought forward		573,113	-	573,113	569,609
TOTAL FUNDS CARRIED FORWARD		<u>412,785</u>	<u>-</u>	<u>412,785</u>	<u>573,113</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Nottingham Roman Catholic Diocesan Education Service

Balance Sheet
At 31 August 2018

	Not es	Unrestricted fund £	Restricted fund £	31/8/18 Total funds £	31/8/17 Total funds £
FIXED ASSETS					
Tangible assets	12	17,715	-	17,715	23,057
CURRENT ASSETS					
Stocks	13	13,127	-	13,127	14,148
Debtors	14	214,342	-	214,342	218,923
Cash at bank		<u>336,247</u>	<u>7,464</u>	<u>343,711</u>	<u>509,845</u>
		563,716	7,464	571,180	742,916
CREDITORS					
Amounts falling due within one year	15	(168,646)	(7,464)	(176,110)	(192,860)
NET CURRENT ASSETS		<u>395,070</u>	<u>-</u>	<u>395,070</u>	<u>550,056</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>412,785</u>	<u>-</u>	<u>412,785</u>	<u>573,113</u>
NET ASSETS		<u>412,785</u>	<u>-</u>	<u>412,785</u>	<u>573,113</u>
FUNDS	16				
Unrestricted funds:					
General fund				412,785	573,113
Restricted funds:				-	-
TOTAL FUNDS				<u>412,785</u>	<u>573,113</u>

The notes form part of these financial statements

Balance Sheet - continued

At 31 August 2018

The charitable company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary charitable companies for the year ended 31 August 2018.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 4 April 2019 and were signed on its behalf by:

Right Rev P J McKinney -Trustee

Nottingham Roman Catholic Diocesan Education Service

Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	31/8/18 £	31/8/17 £
Cash flows from operating activities:			
Cash generated from operations	1	(197,344)	(264,735)
Finance costs		(3,141)	-
Tax paid		<u>34,094</u>	<u>(6,367)</u>
Net cash provided by (used in) operating activities		<u>(166,391)</u>	<u>(271,102)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(4,229)
Interest received		<u>257</u>	<u>178</u>
Net cash provided by (used in) investing activities		<u>257</u>	<u>(4,051)</u>
 Change in cash and cash equivalents in the reporting period			
		(166,134)	(275,153)
Cash and cash equivalents at the beginning of the reporting period		<u>509,845</u>	<u>784,998</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>343,711</u></u>	<u><u>509,845</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2018

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

	31/8/18 £	31/8/17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(160,328)	3,504
Adjustments for:		
Depreciation charges	5,342	5,731
Interest received	(257)	(178)
Finance costs	3,141	-
Decrease/(increase) in stocks	1,021	(638)
Decrease/(increase) in debtors	4,581	(133,947)
Decrease in creditors	<u>(50,844)</u>	<u>(139,207)</u>
Net cash provided by (used in) operating activities	<u>(197,344)</u>	<u>(264,735)</u>

1. 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.

Income

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

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the friends is not recognised and refer to the Directors' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the Charity but do not directly undertake the charitable activities. Support costs include back office payroll, administration, repairs and maintenance and governance costs which support the Charity's activities. These costs have been allocated to expenditure on charitable activities. The basis on which these support costs have been allocated are set out in note 7.

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All assets costing more than £1,000 are capitalised.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term Leasehold Property - 10 years straight line

Fixtures & fittings - 5 years straight line

Computer equipment - 5 years straight line

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 exempt from corporation tax on its charitable activities.

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	<u>178</u>	<u>-</u>	<u>178</u>	<u>761</u>

In 2017, of the total income from donations, £761 was to unrestricted funds and £NIL was to restricted funds.

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

3. OTHER TRADING ACTIVITIES

	31/8/18	31/8/17
	£	£
Event income	72,393	50,928
Other income - Self generated	3,349	1,024
Funds inherited on conversion	-	2,000
Sale of other goods & services	199	377
	<u>75,941</u>	<u>54,329</u>

4. INVESTMENT INCOME

	31/8/18	31/8/17
	£	£
Deposit account interest	<u>257</u>	<u>178</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds 2017
	£	£	£	£
Book sales	12,409	-	12,409	17,792
Grant - NRCDT	75,000	-	75,000	75,000
Academy sponsorship	-	67,915	67,915	68,490
Grant - Regional Academy	-	151,167	151,167	8,969
Growth Fund	-	-	-	-
Consultancy income	8,091	-	8,091	25,677
Income from inspections	16,190	-	16,190	12,163
Academy conversion consultancy	11,120	-	11,120	-
Schools contributions	422,035	-	422,035	391,410
Income from appeals	37,581	-	37,581	51,594
Administration and support income	<u>8,756</u>	<u>-</u>	<u>8,756</u>	<u>12,326</u>
	<u>591,182</u>	<u>219,082</u>	<u>810,264</u>	<u>663,421</u>

In 2017, of the total income from charitable activities £585,962 was to unrestricted funds and £77,459 was to restricted funds.

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

6. CHARITABLE ACTIVITIES COSTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Direct Costs				
Wages and salaries	206,361	67,915	274,276	266,209
National insurance	27,599	-	27,599	26,596
Pension costs	34,173	-	34,173	32,191
Regional Academy Growth Fund	171,820	151,167	322,987	8,969
Irrecoverable Input VAT	21,750	-	21,750	2,310
Consultancy, Appeal & Re-brokerage fees	171,777	-	171,777	226,152
Legal fees	21,435	-	21,435	-
Book purchases	8,366	-	8,366	12,697
Total Direct Costs	663,281	219,082	882,363	575,124
Support Costs				
Communication costs	3,295	-	3,295	4,398
Rent, rates and utilities	11,897	-	11,897	10,623
Computer costs	7,696	-	7,696	8,354
Subscriptions	28,673	-	28,673	28,558
Postage & Stationery	10,887	-	10,887	8,115
Repairs and maintenance	2,385	-	2,385	4,029
Cleaning costs	4,758	-	4,758	4,873
Staff expenses and travelling	31,921	-	31,921	21,060
Catering costs	5,172	-	5,172	3,574
Wages and salaries	37,491	-	37,491	29,956
National insurance	2,257	-	2,257	1,889
Pension costs	1,574	-	1,574	1,498
Depreciation	5,342	-	5,342	5,731
Governance costs	8,116	-	8,116	7,403
Total Support Costs	161,464	-	161,464	140,061
Total	824,745	219,082	1,043,827	715,185

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>153,348</u>	<u>8,116</u>	<u>161,464</u>

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

8. NET INCOME/(EXPENDITURE)

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

	31/8/18	31/8/17
	£	£
Auditors' remuneration	-	5,065
Auditors' remuneration for non audit work	-	1,870
Depreciation - owned assets	<u>5,342</u>	<u>5,730</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

10. STAFF COSTS

	31/8/18	31/8/17
	£	£
Wages and salaries	311,767	296,165
Social security costs	29,856	28,485
Other pension costs	<u>35,747</u>	<u>33,689</u>
	<u>377,370</u>	<u>358,339</u>

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

	31/8/18	31/8/17
Management & Admin	<u>9</u>	<u>9</u>

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

	31/8/18	31/8/17
£60,001 - £70,000	-	1
£80,001 - £90,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>2</u>

The key management personnel of the charity, comprises of the Director of Education, Deputy Director of Education and Company Secretary. The total employee benefits of the key management personal were £232,728 (2017 £203,428).

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	761	-	761
Charitable activities			
Charitable activities	585,962	77,459	663,421
Other trading activities	54,329	-	54,329
Investment income	<u>178</u>	<u>-</u>	<u>178</u>
Total	641,230	77,459	718,689
 EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>637,726</u>	<u>77,459</u>	<u>715,185</u>
Total	<u>637,726</u>	<u>77,459</u>	<u>715,185</u>
 NET INCOME/(EXPENDITURE)	3,504	-	3,504
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>569,609</u>	<u>-</u>	<u>569,609</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>573,113</u></u>	<u><u>-</u></u>	<u><u>573,113</u></u>

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017 and 31 August 2018	<u>16,819</u>	<u>7,355</u>	<u>20,039</u>	<u>44,213</u>
DEPRECIATION				
At 1 September 2017	7,288	3,609	10,259	21,156
Charge for year	<u>1,682</u>	<u>1,079</u>	<u>2,581</u>	<u>5,342</u>
At 31 August 2018	<u>8,970</u>	<u>4,688</u>	<u>12,840</u>	<u>26,498</u>
NET BOOK VALUE				
At 31 August 2018	<u>7,849</u>	<u>2,667</u>	<u>7,199</u>	<u>17,715</u>
At 31 August 2017	<u>9,531</u>	<u>3,746</u>	<u>9,780</u>	<u>23,057</u>

13. STOCKS

	31/8/18 £	31/8/17 £
Finished goods	<u>13,127</u>	<u>14,148</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/18 £	31/8/17 £
Trade debtors	53,825	24,004
Other debtors	152,940	151,892
Prepayments and accrued income	<u>7,577</u>	<u>43,027</u>
	<u>214,342</u>	<u>218,923</u>

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/18 £	31/8/17 £
Trade creditors	24,707	18,753
VAT	34,094	-
Other creditors	31,226	4,627
Accruals and deferred income	<u>86,083</u>	<u>169,480</u>
	<u>176,110</u>	<u>192,860</u>

Deferred income relates to various receipts received during the year that relate to the period following the year end.

	£
Deferred income	
Deferred income at 1 September 2017	160,313
Resources deferred during the year	15,280
Amounts released from previous years	<u>(160,313)</u>
Deferred income at 31st August 2018	<u>15,280</u>

Deferred income includes the following items
£6,250 - Nottingham Roman Catholic Diocesan Grant
£64 - Grant Regional Academy Growth Fund
£8,966 - Unallocated Income

16. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	At 31/8/18 £
Unrestricted funds			
General fund	573,113	(160,328)	412,785
	<u>573,113</u>	<u>(160,328)</u>	<u>412,785</u>
TOTAL FUNDS	<u>573,113</u>	<u>(160,328)</u>	<u>412,785</u>

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	667,558	(827,886)	(160,328)
Restricted funds			
Restricted fund	219,082	(219,082)	-
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>886,640</u>	<u>(1,046,968)</u>	<u>(160,328)</u>

17. PENSION COMMITMENTS

The company's employees belong to two principal schemes: the Teachers Pension Scheme for England and Wales (TPS) for academic and related staff; and a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund which amounted to £35,503 (2017 £28,081). Contributions totalling £942 (2017 £956) were outstanding at the end of the financial year.

Teachers Pension Scheme (TPS)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on a basis of quinquennial valuations using a prospective benefit method. The current employer contribution rate is 16.48% of pensionable pay. The TPS is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

18. RELATED PARTY DISCLOSURES

No related party transactions took place in the year other than certain trustees remuneration and expenses already disclosed.

Owing to the nature of operations and the composition of the board, it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving such organisations are conducted at arms length and in accordance with financial regulations and normal procurement procedures.

19. INTERMEDIARY AGENT

The charity acts as intermediary agent on behalf of Catholic Diocesan schools and academies in respect of capital projects. The Charity receives either devolved formula capital grant funding direct from the Education Funding Agency or LCVAP grant funding from the Local Authority.

Once the academy or school has made a decision on the capital project that will be undertaken, a contract is put in place between the academy or school and a third party consultant. The project will then be managed by this consultant.

When the contractor has completed their work, either:

- 1) The Charity will pay the contractor using the funding received from the Education Funding Agency and will invoice the school or academy for the remaining 10% of the contract; or
- 2) The Charity pays the grant monies into the school or academy bank account for them to pay the contractor.

In addition to this, the Charity acts as intermediary agent on behalf of Leicestershire County Council in respect of students suffering from hardship. The Charity received the monies direct from Leicestershire County Council and pay to relevant individuals.

There are no entries within the Statement of Financial Activities or the Balance Sheet in relation to these activities in accordance with the Charity SORP.

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

	31/8/18 £	31/8/17 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	3	1
Donated services and facilities	<u>175</u>	<u>760</u>
	178	761
Other trading activities		
Event income	72,393	50,928
Other income - Self generated	3,349	1,024
Funds inherited on conversion	-	2,000
Sale of other goods & services	<u>199</u>	<u>377</u>
	75,941	54,329
Investment income		
Deposit account interest	257	178
Charitable activities		
School Contribution	422,035	391,410
Academy Sponsorship	67,915	68,490
Appeals Income	37,581	51,594
Administration and support	8,756	12,326
Grants	75,000	75,000
Inspections	16,190	12,163
Book sales	12,409	17,792
Consultancy income	8,091	25,677
Academy conversion consultancy	11,120	-
Regional Academy Growth Fund	<u>151,167</u>	<u>8,969</u>
	<u>810,264</u>	<u>663,421</u>
Total incoming resources	886,640	718,689
EXPENDITURE		
Charitable activities		
Wages	274,276	266,209
Social security	27,599	26,596
Pensions	34,173	32,191
Books	8,366	12,697
Consultant fee - inspections	171,777	226,152
Irrecoverable Input VAT	21,750	2,310
Carried forward	537,941	566,155

Nottingham Roman Catholic Diocesan Education Service

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

	31/8/18 £	31/8/17 £
Charitable activities		
Brought forward	537,941	566,155
Regional Academy Growth Fund	322,987	8,969
Legal fees	<u>21,435</u>	<u>-</u>
	882,363	575,124
Other		
Interest on VAT investigation	3,141	-
Support costs		
Management		
Wages	37,491	29,956
Social security	2,257	1,889
Pensions	1,574	1,498
Rates and water	11,897	10,623
Telephone	3,295	4,398
Postage and stationery	10,887	8,115
Repairs and maintenance	2,385	4,029
Cleaning	4,758	4,873
Computer costs	7,696	8,354
Subscriptions	28,673	28,558
Catering Food/Drink	5,172	3,574
Courses & staff travel	31,921	21,060
Depreciation of tangible and heritage assets	<u>5,342</u>	<u>5,731</u>
	153,348	132,658
Governance costs		
Auditors' remuneration	-	5,065
Auditors' remuneration for non-audit work	-	1,870
Accountancy	5,072	-
Legal fees	2,793	-
Bank charges	<u>251</u>	<u>468</u>
	<u>8,116</u>	<u>7,403</u>
Total resources expended	1,046,968	715,185
	<u> </u>	<u> </u>
Net (expenditure)/income	<u>(160,328)</u>	<u>3,504</u>

This page does not form part of the statutory financial statements