

REGISTRAR OF COMPANIES

Kent
Catholic
Schools
Partnership



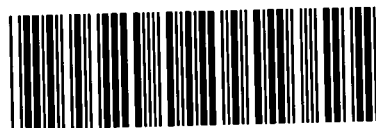
Part of the Archdiocese of Southwark

Annual Report and Financial Statements

31 August 2018

Company Limited by Guarantee
Registration Number
08176019 (England and Wales)

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COMPANIES HOUSE

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Reference and administrative information

Members	The Most Reverend Peter Smith Reverend Monsignor Matthew Dickens Paul McCallum
Directors (Trustees)	Stephen Adamson (resigned 30 April 2018) Marieta Brennan Germaine Campbell (resigned 12 February 2018) Reverend Philip Gilbert Bishop Paul Mason (resigned 18 July 2018) Dr Jane Overbury (appointed 17 October 2018) Michael Powis Geoffrey Randells Steve Seath (resigned 2 May 2018) Peter Ventress Mike Walters (appointed 17 October 2018) Clive Webster Annemarie Whittle
Company Secretary	Dr Helen Mawby (resigned 28 February 2018) Michelle Boniface (appointed 11 May 2018)
Senior Management Team Chief Executive Officer Director of Finance & HR Director of School Improvement	Clive Webster Mark Harris Heather Leatt
Registered address	Barham Court Teston Maidstone Kent ME18 5BZ
Company registration number	08176019 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers Lloyds Bank plc
 2nd Floor
 78 New Road
 Gravesend
 Kent
 DA11 0AR

Solicitors Winckworth Sherwood LLP
 Minerva House
 5 Montague Close
 London
 SE1 9BB

Directors' report (including the strategic report) 31 August 2018

The Directors of Kent Catholic Schools' Partnership ('the Trust' or 'the Partnership'), who are also the Directors for the purposes of charity law, present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust, which is a multi-academy trust, operates nineteen primary academies and five secondary academies in Kent.

Its academies have a combined pupil capacity of 10,555 and had a roll of 9,281 in the school census in May 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 39 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Kent Catholic Schools' Partnership is a company limited by guarantee and an exempt charity. The charitable company's articles of association are the primary governing document of the Trust, with a scheme of delegation setting out the responsibilities of each academy's Governing Body or Academy Committee.

The Foundation Directors of Kent Catholic Schools' Partnership are appointed by the Archbishop, a Member of the company. The Members are also the Directors of a Trust established by deed dated 21 October 1927 (the deed was signed by Bishop Peter Amigo and others, and the said Trust is now known as the Roman Catholic Diocese of Southwark Diocesan Trust and is registered as a charity with the Charity Commission no. 235468). They are represented as directors of the charitable company for the purposes of company law, by the Company Secretary and the Chairman of the Board. The charitable company is known as KCSP.

The Kent Catholic Schools' Partnership is a multi-academy trust (MAT) established under the Academies Act 2010, and is subject to the provisions of civil, Canon and charitable law. As a company limited by guarantee, the Trust's structure of governance is laid down in Articles of Association which may only be amended with agreement of the Members and application to the Secretary of State for Education. The Trust is accountable to the Members through its Board, which has ultimate responsibility for its management and administration.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member.

Directors' Indemnities

Directors benefit from an indemnity insurance with a value of £2,000,000.

Method of Recruitment and Appointment or Election of Directors

Directors are recommended to the Archbishop or the Directors by the Chair of the Board or the Chief Executive Officer. Foundation Directors are practicing Catholics and are appointed by the Metropolitan Archbishop of Southwark on the recommendation of the Chair of the Board. The Academy Director post is elected from amongst qualifying Chairs of Governors of Trust academies. The Principal Directors are elected from amongst qualifying Principals or Head Teachers from both primary and secondary academies in the Trust. The Directors of the Trust, excluding existing co-opted Directors, appoint co-opted Directors.

Directors	Position
Marieta Brennan	Foundation Director
Reverend Philip Gilbert	Foundation Director (Acting Chair)
Dr Jane Overbury	Foundation Director
Michael Powis	Foundation Director
Geoffrey Randells	Foundation Director
Peter Ventress	Foundation Director
Michael Walters	Principal Director (EP) Secondary
Clive Webster	Partnership Director
Annemarie Whittle	Principal Director (EP) Primary
Stephen Adamson	Resigned 30 April 2018
Germaine Campbell	Resigned 12 February 2018
Bishop Paul Mason	Resigned 18 July 2018
Steve Seath	Resigned 2 May 2018

Policies and Procedures Adopted for the Induction and Training of Directors

The Directors follow the key principles of the Charity Commission Code of Practice and seek to ensure through the governance structure that the Board complies with its requirements.

Organisational Structure

During this financial year the Board of Directors had four main sub-committees, the Finance and Resources Committee, the Achievement Committee, the Audit Committee and the Pay and Performance Committee. The Board of Directors are responsible and accountable for the governance of the Trust and meet five times a year. The Chief Executive Officer is responsible for the day to day management of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust has constituted a Pay and Performance Committee. This Committee is responsible for approving the decisions of the Chief Executive Officer regarding the appraisal and the salary progression of the Director of Finance and HR, the Director of School Improvement and the Company Secretary. It will also act as the appraiser for the performance of the Chief Executive Officer and is responsible for approving decisions recommended by the Chair of the Board in relation to the Chief Executive Officer's pay.

For senior management roles, progression through the grade is subject to an appropriate internal performance assessment, including formalised 1:1s and target setting. This process may also be informed by a 360 appraisal. Progression is subject to performance as assessed through the Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level. The outcome of appraisal and the salary progression for these staff is subject to approval by the Pay and Performance Committee.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
11	9.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1% - 50%	7

Percentage of pay spent on facility time

Total cost of facility time	£15,953
Total pay bill	£33,800,810
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	71.6%
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Connected Organisations including Related Party Relationships

The Archdiocese of Southwark is the only connected organisation, with the Education Commission an appointed organisation of the Archbishop to fulfil his rights and responsibilities for Catholic schools.

MISSION, AIM AND OBJECTIVES

Mission and Overarching aim

The overarching aim of the Trust is the preservation, protection and promotion of Catholic education, for the long-term, and increasingly as a first choice for all Catholic parents and carers, and others, who value an education rooted in a strong Catholic ethos. Central to achieving this is excellence in teaching and leadership for children, and ensuring healthy financial capacity for the attraction, retention and development of the best teachers, leaders and support staff. This in turn demands the offer of attractive career paths for all within Catholic education. Successive government policy has encouraged schools of all types to collaborate, to take increasing control of their own destinies and to expand where there is demand and a wish to do so. In responding to this policy direction, schools working together can place themselves in a position to attract increasingly skilled staff, greater numbers of pupils, greater financial resource and, for Catholic schools, greater opportunity to bear Catholic witness. The Trust's approach is to provide the supportive and challenging Catholic organisational framework for this to happen. Specifically it will deliver against the following objectives set out below.

OBJECTIVES

Catholicity and community

- ◆ Catholicity is sustained and cultivated as pervasive to the life and teaching of each academy and the Trust as a whole.

School Improvement

- ◆ A framework for continuous academy improvement in place and being implemented, incorporating a clear process of academy categorisation.
- ◆ Strong leadership and management in place across all Trust academies with robust plans in place where improvement is necessary.
- ◆ Raising achievement and progress for all children and young people in Early Years Foundation Stage and Key Stages 1-5; closing the gaps between under-achieving groups in primary and secondary phases.

Finance and HR

- ◆ Effective financial management is demonstrated at Trust and academy level that ensures financial stability and sustainability.
- ◆ Sufficient, effective and good value Trust services to cover essential areas are in place with a programme agreed and being implemented to drive efficiencies across the Trust.
- ◆ High quality strategic HR support in place to include: key Trust HR policies and a teacher and leadership recruitment and retention strategy and plan.

Governance

- ◆ Effective, knowledgeable and engaged Board of Directors providing sufficient challenge to ensure continuous improvement.
- ◆ Appropriate and efficient governance structure in place with clear lines of delegation.
- ◆ Trust and academies compliant with statutory and legal responsibilities.
- ◆ Robust review, support and challenge processes in place to promote and share best practice, and to support Governing Bodies in challenging schools.
- ◆ High quality, compliant Trust policies are in place and reviewed.

Strategy and Communications

- ◆ Phased growth of the Kent Catholic Schools' Partnership towards 32 academies.
- ◆ A coherent approach to communication in place to improve the Trust "brand" within individual academies, in the Kent locality and nationally.
- ◆ A collaborative and supportive plan in place to further enhance employee and children's health and well-being.

Directors' report (including the strategic report) 31 August 2018

STRATEGIC REPORT

Public Benefit

The advent and development of the Trust introduces a new focus of positive competition and collaboration into the Kent education market, providing individual academies with an alternative source of school improvement and business efficiency geared towards preserving and protecting as much of the available education resource for Catholic learning and teaching as possible.

In setting the Trust's objectives and planning its activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and Performance

A summary of the academic performance for KCSP academies includes:

School Improvement – Primary

KCSP Primary Academies, Provisional Data 2018

Key Stage 2		Kent Catholic Schools Partnership	National	RSC Area	London	Kent LA	Converter Academies	Other Roman Catholic Schools
Reading, Writing and maths	Expected Standard	75%	64%	67%	69%	66%	67%	70%
	Above Standard	12%	10%	11%	13%	11%	11%	12%
Reading	Expected Standard	84%	75%	78%	78%	77%	78%	81%
Writing		87%	78%	80%	81%	81%	81%	82%
Maths		84%	76%	77%	80%	75%	78%	81%
Grammar, P. & Sp.		85%	78%	79%	82%	76%	80%	83%
Reading	Progress between KS1 & KS2	0.8	Mid December - DfE Performance Tables					
Writing		0.6						
Maths		0.0						

Key Stage 1		Kent Catholic Schools Partnership	National	RSC Area	London	Kent LA	Converter Academies	Other Roman Catholic Schools
Reading	Expected Standard	80%	75%	79%	78%	78%	77%	78%
Writing		74%	70%	72%	73%	73%	72%	72%
Maths		80%	76%	78%	79%	79%	78%	78%
Year 1	Meeting phonics standard	84%	82%	84%	85%	82%	84%	85%

Early Years Foundation Stage		Kent Catholic Schools Partnership	National	RSC Area	London	Kent LA	Converter Academies	Other Roman Catholic Schools
Reception	Achieving a good level of development (GLD)	76%	72%	75%	74%	74%	UA	UA

Impact of KCSP Support and Challenge at Primary level

- ♦ 2018 outcomes are strong for the KCSP Primary academies and are above the provisional 2018 national average figures for all key stages: EYFS, KS1 (including phonics) and KS2. On average and in general, KCSP academies outperform the highest comparator at each key stage.

STRATEGIC REPORT (continued)

School Improvement – Primary (continued)

Impact of KCSP Support and Challenge at Primary level (continued)

- ◆ The impact of school-to-school support and the secondment of experienced staff from KCSP academies has been successful and instrumental in securing improved outcomes for pupils.
- ◆ The KCSP Teaching School is continuing to develop and has a CPD programme in place offering a range of training, including a programme for NQTs, Mentors and Middle Leaders.
- ◆ Against a backdrop of rapid national improvement, KS2 outcomes have kept pace and for those academies within the Trust for at least three years, improvements are a significant +5% on 2017.
- ◆ No academy evidences below average progress in Reading or Writing. For the three academies where progress is below average in mathematics, additional support and challenge is already in place to ensure rapid improvement.
- ◆ No academies are below the DFE floor standard. Final maths progress may yet show Holy Family as the only school with 2018 elements of coasting. Academy Leaders are being strongly supported by KCSP and others to ensure rapid improvement in the key areas for development.
- ◆ Four academies: Holy Family, St Gregory's Margate, St Edward's and St Augustine's are receiving additional support and challenge. All have Rapid Improvement Plans in place with clear milestones. The impact of actions to secure ongoing improvement is monitored through formal Academic Challenge Board meetings in addition to termly progress visits by KCSP School Improvement Advisers. The Trust has also appointed Executive Principals at Holy Family, St Gregory's Margate and St Augustine's from September 2018.
- ◆ The impact of this intensive support from the Trust has been seen in the significant improvements at St Edward's Primary Academy in Sheerness, which joined KCSP on 1 July 2016. The increase in the Reading, Writing and Mathematics combined KS2 outcome is substantial, up from 13% in 2016 to 50% in 2017, with a further increase to 79% in 2018. Although the combined KS2 outcome for St Gregory's in Margate remains below 65%, the academy is improving steadily and the combined outcome is up by +5% on the 2017 figure. Progress figures in all subjects at Holy Family have improved on the 2017 outcomes and the academy is no longer below the government floor standards.

Directors' report (including the strategic report) 31 August 2018

STRATEGIC REPORT (continued)

School Improvement – Primary (continued)

Impact of KCSP Support and Challenge at Primary level (continued)

- ♦ The developments in Early Years practice, with a focus on ensuring solid foundations on which to build, continues through our close links with Early Excellence. The high-quality training for Early Years Leaders and the impact of the Transformation Project, undertaken by 10 of our schools, has been noted by inspectors during recent inspections. Notably, Early Years at Holy Family moved from 'RI' (Requires Improvement) to 'good' in their inspection last year.

School Improvement - Secondary

KCSP Secondary Academies, Provisional GCSE Results 2018

Impact of KCSP Support and Challenge at Secondary Level

Secondary Accountability

School Name	% achieving the strong English Bacc.		EBacc Grade	% achieving strong Basics		Attainment 8			Progress 8			Significance of the Progress 8 score to the National average		
	2017	2018	2018	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
St Anselm's Catholic School	6%	8%	3.5	19%	27%	48.6	41.9	43.0	0.27	0.15	-0.07	●	●	●
St Edmund's Catholic School	9%	5%	2.9	19%	21%	45.3	36.2	34.8	0.06	-0.16	-0.52	●	●	●
St Gregory's Catholic School	28%	20%	4.2	55%	41%	50.9	49.8	47.2	0.23	0.40	0.38	●	●	●
St Simon Stock Catholic School	17%	10%	3.9	44%	32%	53.5	50.2	45.7	0.53	0.54	0.48	●	●	●
Ursuline College	9%	6%	3.5	27%	33%	42.7	38.4	42.5	-0.33	-0.35	0.05	●	●	●
Kent Catholic Schools Partnership	15%	11%	3.7	34%	31%	48.6	44.3	43.4	0.18	0.18	0.11	●	●	●
DFE KCSP MAT Accountability Average*	17%	11%	3.8	39%	33%	-	47.2	44.8	-	0.36	0.21	-	●	●
Kent LA	25%	21%	4.1	42%	44%	50.4	46.3	46.8	-0.04	-0.11	-0.09	●	●	●
All London	29%	23%	4.4	48%	49%	51.9	48.9	49.2	0.16	0.22	0.23	●	●	●
South London LAs	30%	24%	4.4	48%	49%	52.2	49.1	49.4	0.09	0.10	0.11	●	●	●
National	20%	15%	3.8	40%	40%	48.5	44.6	44.3	0.00	0.00	-0.08	●	●	●
State-funded National	21%	17%	4.0	43%	43%	49.9	46.4	46.5	-0.03	-0.03	-0.02	●	●	●
RSC Area London & South East	25%	20%	4.2	42%	46%	51.1	47.5	47.6	0.03	0.00	0.01	●	●	●
- South London East	24%	19%	4.1	44%	44%	50.0	46.7	46.5	-0.06	-0.12	-0.15	●	●	●
- South London Central	30%	23%	4.3	46%	46%	51.7	48.2	48.2	0.15	0.14	0.18	●	●	●
- South London West	33%	28%	4.6	51%	52%	53.7	50.8	51.5	0.15	0.20	0.22	●	●	●
- South East LAs	23%	18%	4.1	44%	44%	50.6	46.7	46.8	0.01	-0.05	-0.03	●	●	●
All Roman Catholic Schools	25%	19%	4.3	47%	47%	44.6	49.0	49.3	0.08	0.10	0.13	●	●	●
Non-selective schools in highly selective areas	11%	8%	3.5	31%	32%	46.9	42.1	42.1	-0.09	-0.14	-0.13	●	●	●
National Academies	23%	18%	4.2	45%	45%	51.3	47.8	47.7	0.03	0.03	0.03	●	●	●
- Sponsored Academies	13%	9%	3.5	32%	33%	45.9	42.2	41.5	-0.14	-0.12	-0.19	●	●	●
- Converter Academies	27%	21%	4.4	49%	50%	53.3	49.9	50.0	0.09	0.10	0.12	●	●	●

Key: Significantly above the national progress average ●
Close to England average ○
Significantly below the national progress average ●

*DFE MAT averages only use results from schools with the Trust for three or more years at the start of the academic year. No school had been with the Trust for three or more years at the start of the 2015-2016 year, three at the start of 2016-2017 and four at the start of the 2017-2018 academic year.

- ♦ Overall the Trust has an average Attainment 8 score of 43.4. This is broadly in line with the national average for all secondary schools. Four schools had scores over 40, meaning that on average pupils in these academies gained a standard pass across the 8 subjects, equivalent to around a former grade C.

STRATEGIC REPORT (continued)

School Improvement – Secondary (continued)

KCSP Secondary Academies, Provisional GCSE Results 2018 (continued)

- ◆ The Progress 8 national average is zero. Progress 8 scores are significantly positive in two academies, in line with the national average in two academies and below the national average in a single academy. Final performance tables are likely to show no KCSP academy falls below the government's floor standard of -0.5.
- ◆ Overall the Trust's Progress 8 score of +0.11 is significantly above the national average of -0.08, the Kent LA average of -0.09 and the average of non-selective schools in highly selective areas of -0.13. It is also above the RSC London and South East Area's average of +0.01. On average pupils in KCSP academies made more progress between Key Stages 2 and 4 than on average nationally and if they attended other schools in Kent.
- ◆ 58% of pupils gained a standard pass in English and maths combined; this is just 1% lower than this year's national average and 5% below all schools in Kent, a fully selective Local Authority. The comparable national average for non-selective schools in highly selective areas is 57%.
- ◆ The number of entries in the EBacc. suite of subjects was slightly down on last year. Improving success rates particularly at grade 5 and above, continues to be a priority for all the Trust's academies, especially in Modern Foreign Languages.
- ◆ Overall the results of four out of the five academies this year are pleasing. Ursuline College's positive outcomes have lifted it out of the 'coasting' category, with its Progress 8 score rising from -0.30 to +0.05. This places the academy as the best performing school in Thanet, ahead of the two grammar schools in the area. Both St Simon Stock and St Gregory's Tunbridge Wells have positive Progress 8 scores; St Simon Stock at +0.48 and St Gregory's at +0.38, representing very good outcomes for their pupils from their below national average starting points. St Anslem's once again had a Progress 8 score that was in line with the national average. St Edmund's provisional score of -0.52 was disappointing, but the final performance tables are very likely to show that the score will be -0.49, meaning the academy will not fall below the government's floor standard. St Edmund's remains the highest performing non-selective school in the Dover/Deal/Sandwich district.
- ◆ Pupil Premium: national data is not yet available for disadvantaged pupils at Key Stage 4. Overall, this cohort of disadvantaged pupils had lower prior attainment than in 2017. Provisional data for the Trust shows that the Attainment 8 score for this group is 34.0, the same as in 2017. Progress 8 is lower than in 2017 at -0.39 compared with -0.43.

Directors' report (including the strategic report) 31 August 2018

STRATEGIC REPORT (continued)

Going Concern

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

Financial Review

The net movement on funds for the year amounted to £3,150,000 (2017: £6,435,000).

The majority of the Trust's funding was provided by the Education and Skills Funding Agency (ESFA). The Trust's income for the year was £50,878,000 (2017: £52,136,000) of which £nil related to funds received on conversion (2017: £2,330,000), £44,289,000 (2017: £42,831,000) related to funding for educational operations and £3,466,000 (2017: £4,156,000) of capital grants were received. Expenditure for the year totalled £51,534,000 (2017: £50,072,000).

Excluding assets and liabilities transferred in on conversion, movements on the fixed asset fund and on the defined benefit pension liability, the operational surplus for the period was £1,837,000 (2017: deficit of £1,554,000).

The Trust held fund balances of £56,149,000 at 31 August 2018 (2017: £52,999,000) which included unrestricted funds of £3,529,000 (2017: £2,856,000) and restricted funds of £52,620,000 (2017: £50,143,000), including a deficit of £12,555,000 on the Local Government Pension Scheme (2017: £14,218,000).

The results for the year are shown on page 30.

Reserves policy

The policy of the Directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. The Directors are satisfied that the Trust's reserves are sufficient for its current purposes.

The reserves as at 31 August 2018 amounted to £56,149,000 (2017: £52,999,000) which comprised primarily of restricted fixed asset funds. The unrestricted funds amounted to £3,529,000 (2017: £2,856,000).

STRATEGIC REPORT (continued)

Financial Review (continued)

Reserves policy (continued)

The Trust has a pension scheme liability of £12,555,000 as at 31 August 2018 (2017: £14,218,000) which is included in the restricted reserves. The disclosure does not mean that the liability is already committed and is no longer available to the Directors to further the Trust's objectives. In the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013 following Parliamentary approval. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase in order to reduce the liability. The academies will always pay the employer contribution rates set by the pension scheme administrators.

Investment policy

The monies received by the Trust are largely public funds provided for the education of children and young people. Consequently the Directors take a conservative view on the investment of any surpluses. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Trust holds whilst taking opportunities to maximise them where possible.

PRINCIPAL RISKS AND UNCERTAINTIES

A business plan is in place and takes account of the following risks and uncertainties for the Trust which are:

Risks

1. Insufficient capacity to support academies in the Trust;
2. Reputational risks
 - a) Significant Child Protection issue
 - b) A major failure of performance at a given academy or academies;
3. Financial impropriety within the MAT;
4. Failure of appropriate governance oversight across the Trust;
5. Loss of more than one key personnel at or about the same time;
6. Academies failing to meet standards required by Ofsted;
7. Failure of the Trust as an employer in meeting its statutory policy requirements;
8. Failure to attract and retain high-quality staff; and
9. The Trust ceases to be a 'going concern'.

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FUNDRAISING

The Trust follows the fundraising practices as per section 13 of the Charities (Protection and Social Investment) Act 2016. The Trust does not currently work with any commercial or professional fundraisers. The Trust's fundraising activities are currently limited to raising funds for charities which the students' have chosen to support through non-uniform days and cake sales, rather than fundraising for school purposes. These are optional activities.

PLANS FOR FUTURE PERIODS

Growth

The Trust will continue to expand in line with the Archbishop's strategic vision for all 32 voluntary aided Catholic schools in the Kent County Council area, namely, for each to convert to be an academy within the Trust. Since January 2014, 24 schools have become academies (19 primary and 5 secondary). For the remaining 8 schools, subject to RSC agreement and all due process, indicative dates for conversion will be agreed with schools taking account of the following, some or all of which applies to each school:

- ◆ An academy order has been granted but necessary legal and/or HR issues require resolution prior to conversion.
- ◆ Governors remain in the informal stage of working with the Trust to understand the process from their perspective in order to reach an informed position.
- ◆ Significant financial and/or school effectiveness issues pertain which require resolution by the local authority.

Capacity

2017/18 has been a period of consolidation for the Trust with capacity in the Trust Office currently sufficient to support the needs of 24 academies.

Some activities such as IT, data management and strategic property advice are intentionally outsourced with capacity engaged as and when required. This is seen to be a more efficient operating model minimising the overhead to academies. Future capacity decisions will be dictated by the conversion timeline of the remaining eight Catholic Schools that are eligible to join the Partnership. Similarly, the Trust is increasingly looking to centralise activity and this could result in a strategic change to the method of delivery of some activities in the future.

Directors' report (including the strategic report) 31 August 2018

AUDITOR

Insofar as the Directors are aware:

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

Directors' report, incorporating a strategic report, approved by order of the Board of Directors on 12 December 2018 and signed on its behalf by:



Reverend Philip Gilbert
Director

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that the Kent Catholic Schools' Partnership has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Partnership and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Directors have formally met six times during the period. Attendance during the year at meetings of the Directors was as follows:

Director	Meetings attended	Out of a possible
Stephen Adamson (resigned 30 April 2018)	3	4
Marieta Brennan	5	6
Germaine Campbell (resigned 12 February 2018)	3	3
Reverend Philip Gilbert	6	6
Bishop Paul Mason (resigned 18 July 2018)	6	6
Michael Powis	6	6
Geoffrey Randells	5	6
Steve Seath (resigned 2 May 2018)	5	5
Peter Ventress	6	6
Clive Webster	5	6
Annemarie Whittle	6	6

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Directors.

The overall purpose of the Committee is to work strategically to ensure due diligence and probity in matters of resourcing within KCSP including financial and premises issues. To ensure the efficient use of resources and accountability, having particular regard for the effective use of public funding and protection of the resources and estates of the Church. They will pursue best practice in all such matters and have regard to the guidance of government and its agencies, the Church and other bodies and organisations having relevant responsibilities for academies.

Governance (continued)

Finance and Resources Committee (continued)

The Committee agrees annually the budget for KCSP and maintains a 3-year rolling indicative budget. Both are recommended for approval to the full Board.

It has over-sight of the finances of the academies of the Partnership, with due regard for the requirements of the Academies Financial Handbook, Academy Funding Agreements and KCSP Academy Scheme of Delegation and any other associated procedures.

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Reverend Philip Gilbert	5	5
Germaine Campbell (resigned 12 February 2018)	2	2
Michael Powis	5	5
Geoffrey Randells	3	5
Clive Webster	3	5

Audit Committee

The Audit Committee is a sub-committee of the main Board of Directors.

The Audit Committee is an advisory body with no executive powers. It is authorised by the Board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. The Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

The specific duties of the Committee are:

- ♦ To review the Partnership's internal and external financial statements and reports to ensure that they reflect best practice.
- ♦ To consider all relevant reports by the appointed external auditor, including reports on the Partnership's accounts, achievement of value for money and the response to any management letters.
- ♦ To review the effectiveness of the Partnership's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Steve Seath (resigned 2 May 2018)	1	1
Peter Ventress	1	1

Governance statement 31 August 2018

Governance (continued)

Audit Committee (continued)

Clive Webster attended in his capacity as Chief Executive Officer. He is not a member of the Audit Committee.

Achievement Committee

The Achievement Committee is a sub-committee of the main Board of Directors.

The Committee plays a pivotal role in bringing each academy to at least 'good' and ultimately 'outstanding' in the minimum time possible. It does this within the mission, ethos and values of Catholic education.

The Committee monitors standards as evidenced by Ofsted reports, S48 report of religious education and the Catholic life of the academy, Ofsted data dashboards, DfE published attainment data including key stage and GCSE results and such other relevant material as from time to time becomes available.

Attendance at meetings by Directors in the year was as follows:

Director	Meetings attended	Out of a possible
Stephen Adamson (resigned 30 April 2018)	2	2
Marieta Brennan	4	4
Reverend Philip Gilbert	4	4
Clive Webster	3	4
Annemarie Whittle	4	4

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Partnership delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Partnership's use of its resources has provided good value for money during the academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available.

Review of value for money (continued)

Targeted improvement has come from:

- ◆ Increasingly centralised procurement on behalf of academies in the area of building refurbishment, energy and insurance. Additionally a number of contracts were secured which achieved economies by aggregating the requirements of a number of academies. This also minimised significantly the administrative burden on individual academies.
- ◆ A progressive review of back-office services, targeting delivery across locations wherever possible.
- ◆ Central procurement and implementation of a consistent software based approach to managing our assets.
- ◆ Increasing income generation from lettings, and the provision of specialist support to schools outside the KCSP family of schools. In addition our academies are grateful for the significant parental contributions that are received each year.

Lessons learned

As KCSP has grown, the challenges to remain networked and deliver high quality local partnerships increases. We have therefore implemented a new structure to support, challenge and progress in educational standards which is led by the School Improvement Director. This is a significant step forward and will enable us to accelerate the pace of change and help deliver even higher standards in our academies.

We also have planned implementation of the recommendations arising from our internal and external audit reports. Key actions we will take in 2018/19 include:

- ◆ Further centrally led procurement;
- ◆ Standardising documentation to support efficient and effective procurement;
- ◆ Standardising and embedding key policies;
- ◆ Further supporting academies in the use of standardised software.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Partnership's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Partnership for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Directors have reviewed the key risks to which the Partnership is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Partnership's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The risk and control framework

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

- ◆ periodic financial reports which are reviewed and agreed by the Directors;
- ◆ regular reviews by the Directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Directors have considered the need for additional internal assurance and have appointed Buzzacott LLP to provide this. This includes giving advice on financial matters and performing a range of checks on the Partnership's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The auditor reports to the Directors through the Audit Committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ♦ the work of the external auditor;
- ♦ the findings from additional assurance checks;
- ♦ the financial management process;
- ♦ the work of the Senior Management Team within the Partnership who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Finance and Resources Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors and signed on their behalf by:



Reverend Philip Gilbert
Chair of Directors



Clive Webster
Accounting Officer

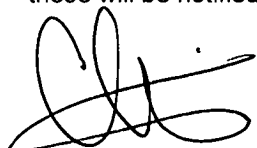
Approved on: 12 December 2018

Statement of regularity, propriety and compliance 31 August 2018

As Accounting Officer of Kent Catholic Schools' Partnership, I have considered my responsibility to notify the Partnership Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Partnership and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

A handwritten signature in black ink, appearing to be 'Clive Webster', with a stylized, cursive script.

Clive Webster
Accounting Officer

Date: 12 December 2018

Statement of Directors' responsibilities 31 August 2018

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that period.

In preparing these financial statements, the Directors are required to:

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

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

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Directors on 12 December 2018 and signed on its behalf by:



Reverend Philip Gilbert
Chair of Directors

Independent auditor's report 31 August 2018

Independent auditor's report to the members of Kent Catholic Schools' Partnership

Opinion

We have audited the financial statements of Kent Catholic Schools' Partnership (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the Directors 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 Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Directors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' report including the strategic report has been prepared in accordance with applicable legal requirements.

Independent auditor's report 31 August 2018

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 Directors' report including the strategic report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (continued)

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 auditor's report.

Use of our report

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 auditor's 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.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 December 2018

Independent accountant's assurance report 31 August 2018

Independent reporting accountant's assurance report on regularity to Kent Catholic Schools' Partnership and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kent Catholic Schools' Partnership during the period from 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kent Catholic Schools' Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kent Catholic Schools' Partnership and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Kent Catholic Schools' Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kent Catholic Schools' Partnership's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Kent Catholic Schools' Partnership's Academy Order agreements with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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


Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of Kent Catholic Schools' Partnership's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of Kent Catholic Schools' Partnership's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

14 December 2018

Statement of financial activities (including income and expenditure account)

Year to 31 August 2018

	Notes	Unrestricted general fund £'000	Restricted funds		2018 Total funds £'000	2017 Total funds £'000
			General fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	324	113	3,466	3,903	4,591
Transfers from Local Authority on conversion		—	—	—	—	2,330
Charitable activities						
Funding for the Partnership's educational operations	4	—	44,289	—	44,289	42,831
Teaching School	4, 25	—	87	—	87	46
Other trading activities	2	664	1,929	—	2,593	2,331
Investments	3	6	—	—	6	7
Total income		994	46,418	3,466	50,878	52,136
Expenditure on:						
Raising funds	5	67	—	—	67	64
Charitable activities						
Partnership educational operations	6	—	49,068	2,337	51,405	49,965
Teaching School	25	—	62	—	62	43
Total expenditure		67	49,130	2,337	51,534	50,072
Net income (expenditure) before transfers		927	(2,712)	1,129	(656)	2,064
Transfers between funds	17	(254)	72	182	—	—
Net income (expenditure) for the year		673	(2,640)	1,311	(656)	2,064
Other recognised gains						
Actuarial gains on defined pension benefit schemes	22	—	3,806	—	3,806	4,371
Net movement in funds		673	1,166	1,311	3,150	6,435
Reconciliation of funds						
Total funds brought forward at 1 September 2017		2,856	(13,721)	63,864	52,999	46,564
Total funds carried forward at 31 August 2018		3,529	(12,555)	65,175	56,149	52,999

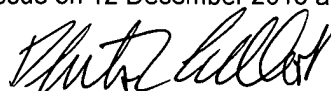
All of the Partnership's activities derived from continuing operations during the above two financial periods.

All gains and losses are included in the statement of financial activities.

Balance sheet 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible assets	13		64,979		62,865
Current assets					
Stock		6		11	
Debtors	14	1,506		1,981	
Cash at bank and in hand		7,957		6,842	
		<u>9,469</u>		<u>8,834</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(5,706)		(4,424)	
Net current assets			<u>3,763</u>		<u>4,410</u>
Total assets less current liabilities			68,742		67,275
Creditors: amounts falling due after more than one year	16		(38)		(58)
Net assets excluding pension liability			68,704		67,217
Defined benefit pension scheme liability	22		(12,555)		(14,218)
Total net assets			<u>56,149</u>		<u>52,999</u>
Funds of the Partnership					
Restricted funds					
Fixed assets fund	17		65,175		63,864
Restricted income fund	17		—		497
Pension reserve	17		(12,555)		(14,218)
Total restricted funds			<u>52,620</u>		<u>50,143</u>
Unrestricted income funds					
General fund	17		3,529		2,856
Total funds			<u>56,149</u>		<u>52,999</u>

The financial statements on pages 30 to 60 were approved by the Directors, and authorised for issue on 12 December 2018 and are signed on their behalf by:



Reverend Philip Gilbert
Chair of Directors
Kent Catholic Schools' Partnership
Company Limited by Guarantee
Registration Number: 08176019 (England and Wales)

Statement of cash flows Year to 31 August 2018

		2018 £'000	2017 £'000
Net cash flow from operating activities			
Net cash provided by operating activities	A	2,106	118
Cash flows from investing activities	B	(991)	(475)
Change in cash and cash equivalents in the year		1,115	(357)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2017		6,842	7,199
Cash and cash equivalents at 31 August 2018	C	7,957	6,842
A Reconciliation of (expenditure) income to net cash flow from operating activities			
		2018 £'000	2017 £'000
Net (expenditure) income for the year (as per the statement of financial activities)		(656)	2,064
Adjusted for:			
Inherited pension deficit		—	517
Inherited tangible assets		—	(2,680)
Depreciation charges (note 13)		2,337	1,824
Capital grants from DfE and other capital income		(3,466)	(4,156)
Interest receivable (note 3)		6	7
Defined benefit pension scheme cost less contributions payable (note 22)		1,795	1,810
Defined benefit pension scheme finance cost (note 22)		348	336
Decrease (increase) in debtors		475	(686)
Decrease (increase) in stock		5	(3)
Increase in creditors		1,262	1,085
Net cash provided by operating activities		2,106	118
B Cash flows from investing activities			
		2018 £'000	2017 £'000
Interest from investments		(6)	(7)
Purchase of tangible fixed assets		(4,451)	(4,624)
Capital grants from DfE/ESFA		3,466	4,156
Net cash used in investing activities		(991)	(475)
C Analysis of cash and cash equivalents			
		2018 £'000	2017 £'000
Cash at bank and in hand		7,957	6,842
Total cash and cash equivalents		7,957	6,842

Statement of accounting policies

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

Basis of preparation

The financial statements of the Partnership, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Income

All income is recognised when the Partnership has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Income (continued)

Grants (continued)

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

Sponsorship income

Sponsorship income provided to the Partnership which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Conversion of schools

The conversion of schools to academies within the Partnership during the year ended 31 August 2017 involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the Local Authority school to the Partnership have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Partnership. The amounts have been recognised under the appropriate balance sheet categories at the point when the risks and rewards of ownership pass to the Partnership, which is on the signing of the transfer agreement with the transferring school. A corresponding amount is recognised as net income in the statement of financial activities and analysed under restricted general funds and restricted fixed assets funds. Further details of the transactions are set out in note 17 of the financial statements.

Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of each asset on a straight-line basis.

♦ Leasehold buildings	50 years
♦ Building improvements	10 years
♦ Furniture and equipment	3 years
♦ Computer equipment	3 years
♦ Motor vehicles	3 years

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

Land and buildings have been valued at ESFA valuation, where available, and at 40% of insurance valuation where ESFA valuation is not available.

Tangible fixed assets (continued)

Some of the land and buildings occupied by the Partnership are owned by the Roman Catholic Archdiocese of Southwark. The Archdiocese of Southwark owns the freehold of some of the site. The rest is owned by the Partnership. The Partnership occupies the site owned by the Archdiocese of Southwark under a mere licence, which does not create an interest in land. The site is always recoverable, and the licence therefore passes no rights to the Partnership to occupy the site. The Archdiocese of Southwark has, however, undertaken to the Secretary of State, by virtue of the Church Supplemental Agreement, to make the land available for use by the Partnership, which use may be terminated by the Archdiocese of Southwark by it giving not less than two years' notice.

The value of land and buildings that are owned by the Diocese of Southwark and used by the Partnership have been recognised as fixed assets in the Partnership's accounts as the Partnership meets the control criteria set out in the Academies Accounts Direction 2017 to 2018. For example, the Partnership has responsibility for access to the buildings, maintenance of the premises and control over works, including capital works, to the premises. The buildings meet the definition, therefore, of a fixed asset of the Partnership.

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.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed assets fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Partnership's depreciation policy.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Partnership anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Partnership 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 Partnership 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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Partnership in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

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

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

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency, and other bodies, including the Local Authority, Kent County Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions (continued)

The key assumptions used are:

- ◆ Buildings have been included in the financial statements using either the ESFA's valuation, or 40% of the insurance valuation if the valuation had not yet been received at the date of the audit fieldwork.
- ◆ Buildings are depreciated on a straight-line basis over 50 years and building improvements on a straight-line basis over 10 years.
- ◆ Fixtures, fittings and equipment are depreciated on a straight-line basis over 3 years.
- ◆ Computer equipment and motor vehicles are depreciated on a straight-line basis over 3 years.
- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

Agency Arrangements

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

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2018 Total funds £'000	2017 Total funds £'000
Capital grants	—	—	3,466	3,466	4,156
Other donations	324	113	—	437	435
	<u>324</u>	<u>113</u>	<u>3,466</u>	<u>3,903</u>	<u>4,591</u>

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities	168	—	168	119
Trip income	—	998	998	840
Catering income	496	—	496	535
Miscellaneous income	—	931	931	837
	<u>664</u>	<u>1,929</u>	<u>2,593</u>	<u>2,331</u>

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Interest receivable	6	—	6	7
	<u>6</u>	<u>—</u>	<u>6</u>	<u>7</u>

4 Funding for the Partnership's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE/ESFA grants				
General Annual Grant (GAG)	—	40,237	40,237	38,747
Start Up Grants	—	26	26	26
Other DfE/ESFA grants	—	2,851	2,851	2,646
Teaching School	—	87	87	46
	—	43,201	43,201	41,465
Other Government grants				
Local authority grants	—	1,175	1,175	1,412
2018 total funds	—	44,376	44,376	42,877

5 Expenditure

	Staff costs £'000	Non pay expenditure		2018 Total funds £'000	2017 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds					
· Direct costs	—	22	45	67	64
Partnership's educational operations (note 6)					
· Direct costs	29,876	1,992	3,959	35,827	34,524
· Allocated support costs	8,293	3,533	3,752	15,578	15,441
Teaching Schools	31	—	31	62	43
2018 total funds	38,200	5,547	7,787	51,534	50,072
Net income for the year includes:					
Operating lease rentals				158	149
Depreciation				2,337	1,824
Fees payable to auditor for:					
· Audit				41	41
Other services					
· Current year				20	18
· Prior year				29	—

6 Charitable activities – Partnership's educational operations

	2018 Total funds £'000	2017 Total funds £'000
Direct costs	35,827	34,524
Support costs	15,578	15,441
	51,405	49,965

6 Charitable activities – Partnership's educational operations (continued)

	2018 Total funds £'000	2017 Total funds £'000
Analysis of support costs		
Support staff costs	8,293	7,946
Depreciation	343	261
Technology costs	798	761
Premises costs	3,190	3,458
Other support costs	2,434	2,390
Governance costs (note 7)	520	625
Total support costs	15,578	15,441

7 Governance costs

	2018 Total funds £'000	2017 Total funds £'000
Legal and professional fees	430	566
Auditor's remuneration:		
· Audit of financial statements	41	41
Other services		
· Current year	20	18
· Prior year	29	—
	520	625

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds		2017 Total funds £'000
		General fund £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	412	23	4,156	4,591
Transfers from Local Authority on conversion	—	(350)	2,680	2,330
Charitable activities				
· Funding for the Partnership's educational operations	—	42,831	—	42,831
· Teaching School	—	46	—	46
Other trading activities	654	1,677	—	2,331
Investments	7	—	—	7
Total income	1,073	44,227	6,836	52,136
Expenditure on:				
Raising funds	64	—	—	64
Charitable activities				
· Partnership educational operations	—	48,141	1,824	49,965
· Teaching School	—	43	—	43
Total expenditure	64	48,184	1,824	50,072
Net income (expenditure) before transfers	1,009	(3,957)	5,012	2,064
Transfers between funds	—	(752)	752	—
Net income (expenditure) for the year	1,009	(4,709)	5,764	2,064
Other recognised gains				
· Actuarial gains on defined pension benefit schemes	—	4,371	—	4,371
Net movement in funds	1,009	(338)	5,764	6,435
Reconciliation of funds				
Total funds brought forward at 1 September 2016	1,847	(13,383)	58,100	46,564
Total funds carried forward at 31 August 2017	2,856	(13,721)	63,864	52,999

9 Staff

(a) Staff costs

Staff costs during the year were:

	2018 Total funds £'000	2017 Total funds £'000
Wages and salaries	28,440	27,402
Social security costs	2,649	2,480
Pension costs (including FRS 102 pension adjustment of £1,795,000 (2017: £1,180,000))	6,476	6,336
	37,565	36,218
Supply teacher costs	537	758
Staff restructuring costs	98	5
	38,200	36,981
Staff restructuring costs comprise	2018 £'000	2017 £'000
Redundancy payments	85	—
Severance payments	13	5
	98	5

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,200 in respect of three payments (2017 - £5,000 in respect of one payment).

(b) Staff numbers

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

	2018 No.	2017 No.
Teachers	561	552
Administration and support	860	890
Management	59	62
	1,480	1,504

For the year ended 31 August 2017, the average staff numbers have been calculated based on the period since conversion to academy status for each school. No adjustment has been made in respect of the length of time that each school has been part of the Partnership.

9 Staff (continued)

(c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2018 No.	2017 No.
£60,001 - £70,000	12	13
£70,001 - £80,000	3	4
£80,001 - £90,000	2	2
£90,001 - £100,000	2	2
£100,001 - £110,000	3	2
£110,001 - £120,000	—	1
£150,001 - £160,000	1	1

Employee benefits for the purposes of this note have been calculated based on the amount paid to the employees during the time that each school has been part of the Partnership and are not the employee benefits on a per annum basis.

(c) Key management personnel

The key management personnel of the Partnership comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Partnership was £682,000 (2017 - £738,000).

10 Directors' remuneration and expenses

Employees who are also Directors only receive remuneration in respect of services they provide in undertaking their role as employees of the Partnership and not in respect of their services as Directors. Other Directors did not receive any payments from the Partnership in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2018 £'000	2017 £'000
Clive Webster, Chief Executive Officer		
• Remuneration	150 - 155	150 - 155
• Employer's pension contributions	30 - 35	25 - 30
Stephen Adamson, Principal		
• Remuneration	60 - 65	100 - 105
• Employer's pension contributions	10 - 15	15 - 20
Annemarie Whittle, Principal		
• Remuneration	75 - 80	75 - 80
• Employer's pension contributions	10 - 15	10 - 15

Other related party transactions involving the Directors are set out in note 23.

10 Directors' remuneration and expenses (continued)

During the year ended 31 August 2018, travel and subsistence expenses totalling £3,905 (2017 - £3,781) were reimbursed to two Directors. These were reimbursed as part of the Directors' work as employees of the Partnership. No expenses were reimbursed to the other Directors (2017 – none).

11 Directors' and Officers' insurance

In accordance with normal commercial practice the Partnership has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Partnership business. The insurance provides cover up to £2,000,000 (2017 - £2,000,000) on any one claim and the cost for the year ended 31 August 2018 was £5,057 (2017 - £4,140). The cost of this insurance is included in the total insurance cost.

12 Central services

The Partnership has provided the following central services to its schools during the year:

- ◆ Financial services
- ◆ Legal services
- ◆ Office administration
- ◆ IT support
- ◆ School improvement
- ◆ HR & Personnel support
- ◆ Capital Building and Project Support
- ◆ Marketing
- ◆ Professional Development

The Partnership charges the academies for the above services at the rate of £200 (2017 - £205) per pupil for the year.

12 Central services (continued)

The actual amounts charged during the year were as follows:

	2018 £'000	2017 £'000
St Joseph's Catholic Primary School, Aylesham	17	19
St Simon Stock Catholic School, Maidstone	214	230
St Gregory's Catholic Comprehensive School, Tunbridge Wells	230	256
St Joseph's Catholic Primary School, Broadstairs	41	45
St Anselm's Catholic School, Canterbury	220	234
St Gregory's Catholic Primary School, Margate	61	66
Holy Family Roman Catholic Primary School, Maidstone	40	42
St Mary's Catholic Primary School, Deal	41	41
St Simon of England Roman Catholic Primary CP School, Ashford	43	44
St Thomas' Catholic Primary School, Sevenoaks	42	45
St Margaret Clitherow Catholic Primary School	74	73
St Peter's Catholic Primary School, Sittingbourne	43	45
St Richard's Catholic Primary School, Dover	39	41
More Park Catholic Primary School, West Malling	41	44
Our Lady of Hartley Catholic Primary School, Hartley	43	44
St Joseph's Catholic Primary School, Northfleet	48	50
Ursuline College, Westgate-on-Sea	142	164
Stella Maris Catholic Primary School, Folkestone	41	43
St John's Catholic Primary School, Gravesend	131	130
St Mary's Catholic Primary School, Whitstable	83	90
St Edmund's Catholic School, Dover	103	116
St Edward's Catholic Primary School, Sheerness	40	43
St Teresa's Catholic Primary School, Ashford	43	15
St Augustine's Catholic Primary School, Tunbridge Wells	61	11
	1,881	1,931

13 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 September 2017	66,645	259	832	10	67,746
Additions	3,761	249	441	—	4,451
At 31 August 2018	70,406	508	1,273	10	72,197
Depreciation					
At 1 September 2017	4,415	56	403	7	4,881
Charge in year	1,995	79	260	3	2,337
At 31 August 2018	6,410	135	663	10	7,218
Net book values					
At 31 August 2018	63,996	373	610	—	64,979
At 31 August 2017	62,230	203	429	3	62,865

14 Debtors

	2018 £'000	2017 £'000
Trade debtors	132	69
VAT recoverable	593	944
Other debtors	87	496
Prepayments and accrued income	694	472
	1,506	1,981

15 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	1,940	1,139
Taxation and social security	604	611
EFA creditor: abatement of GAG	27	—
Other creditors	466	446
Accruals and deferred income	2,669	2,228
	5,706	4,424
Deferred income (included above)		
Deferred income at 1 September 2017	709	730
Released during the year	(709)	(730)
Resources deferred in the year	881	709
Deferred income at 31 August 2018	881	709

At the balance sheet date the Partnership was holding funds received in advance for free school meals, school meals, trips, and travel card deposits received from Parent Pay and virtual schools monies held as custodian.

Other creditors include a credit facility of £370,000 provided by the Diocese of Southwark. Although it is not currently felt that this will be reclaimed within twelve months of the balance sheet date, it has been included as a current liability as it remains 'repayable on demand', as set out in the conditions of the facility. Other creditors also include a credit facility of £19,200 from the Diocese of Southwark. Please see note 16 for further details of this facility.

16 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Other creditors	38	58
	38	58

Other creditors comprise a credit facility of £57,600 (2017 - £76,800) from the Archdiocese of Southwark which is repayable by monthly instalments of £1,600. £19,200 of the credit facility is repayable within one year and is included within other creditors in note 15. The balance of £38,400 (2017 - £57,600) is included in creditors falling due after more than one year.

17 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	—	40,237	(40,806)	569	—
Start Up Grant	—	26	(26)	—	—
Pupil Premium	—	1,888	(1,888)	—	—
Donated current assets on conversion and acquisition	497	—	—	(497)	—
Other DfE/ESFA grants	—	1,050	(1,050)	—	—
Local authority grants	—	1,175	(1,175)	—	—
Other restricted funds	—	2,042	(2,042)	—	—
Pension reserve	(14,218)	—	(2,143)	3,806	(12,555)
	(13,721)	46,418	(49,130)	3,878	(12,555)
Restricted fixed assets funds					
Transfer on conversion	55,846	—	(1,196)	—	54,650
DfE/ESFA capital grants	999	3,466	—	(4,269)	196
Capital expenditure	7,019	—	(1,141)	4,451	10,329
	63,864	3,466	(2,337)	182	65,175
Total restricted funds	50,143	49,884	(51,467)	4,060	(52,620)
Unrestricted funds					
General funds	2,856	994	(67)	(254)	3,529
Total unrestricted funds	2,856	994	(67)	(254)	3,529
Total funds	52,999	50,878	(51,534)	3,806	56,149

17 Funds (continued)

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

Restricted general funds

These grants relate to the Partnership's development and educational activities.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Partnership was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Fixed assets fund

These grants relate to funding received from the ESFA which have been used to purchase fixed assets. This has been reflected by a transfer between funds.

The fund also includes assets received from Kent County Council on conversion of the schools to academies within the Partnership.

Pension reserve

The pension reserve relates to the Partnership's share of the Kent County Council Local Government Pension Scheme.

17 Funds (continued)

Analysis of expenditure by school

Expenditure incurred by each school and the central services team (excluding depreciation) during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2018 Total £'000	2017 Total £'000
St Joseph's Catholic Primary School, Aylesham	363	88	30	90	571	588
St Simon Stock Catholic School, Maidstone	3,337	597	401	843	5,178	5,251
St Gregory's Catholic Comprehensive School, Tunbridge Wells	3,644	1,085	568	893	6,190	6,080
St Joseph's Catholic Primary School, Broadstairs	575	134	88	153	950	973
St Anselm's Catholic School, Canterbury	3,916	828	529	878	6,151	6,129
St Gregory's Catholic Primary School, Margate	967	207	164	248	1,586	1,580
Holy Family RCP School, Maidstone	575	164	100	241	1,080	998
St Mary's Catholic Primary School, Deal	632	91	74	137	934	947
St Simon of England RCP School, Ashford	682	88	108	173	1,051	1,028
St Thomas' Catholic Primary School, Sevenoaks	588	151	97	193	1,029	1,090
St Margaret Clitherow Catholic Primary School	1,044	130	101	341	1,616	1,522
St Peter's Catholic Primary School, Sittingbourne	685	99	71	152	1,007	1,023
St Richard's Catholic Primary School, Dover	628	123	73	176	1,000	1,019
More Park Catholic Primary School, West Malling	592	93	74	176	935	971
Our Lady of Hartley Catholic Primary School, Hartley	581	128	97	160	966	954
St Joseph's Catholic Primary School, Northfleet	629	115	103	162	1,009	1,185
Ursuline College, Westgate-on-Sea	2,320	595	390	664	3,969	3,788
Stella Maris Catholic Primary School, Folkestone	644	97	97	168	1,006	1,022
St John's Catholic Primary School, Gravesend	1,903	368	239	459	2,969	2,940
St Mary's Catholic Primary School, Whitstable	1,181	169	105	294	1,749	1,697
St Edmund's Catholic School, Dover	1,855	447	157	442	2,901	3,747
St Edward's Catholic Primary School, Sheerness	637	79	76	166	958	1,172
St Teresa's Catholic Primary School, Ashford	574	131	67	148	920	426
St Augustine's Catholic Primary School, Tunbridge Wells	834	135	112	224	1,305	224
Central Services	3	2,664	38	(538)	2,167	1,894
Partnership	29,389	8,806	3,959	7,043	49,197	48,248

17 Funds (continued)

Analysis of fund balances by school

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
St Joseph's Catholic Primary School, Aylesham	135	127
St Simon Stock Catholic School, Maidstone	310	486
St Gregory's Catholic Comprehensive School, Tunbridge Wells	619	685
St Joseph's Catholic Primary School, Broadstairs	78	93
St Anselm's Catholic School, Canterbury	196	287
St Gregory's Catholic Primary School, Margate	163	407
Holy Family RCP School, Maidstone	122	257
St Mary's Catholic Primary School, Deal	92	86
St Simon of England RCP School, Ashford	57	81
St Thomas' Catholic Primary School, Sevenoaks	113	120
St Margaret Clitherow Catholic Primary School	164	76
St Peter's Catholic Primary School, Sittingbourne	269	241
St Richard's Catholic Primary School, Dover	131	147
More Park Catholic Primary School, West Malling	94	83
Our Lady of Hartley Catholic Primary School, Hartley	67	148
St Joseph's Catholic Primary School, Northfleet	129	64
Ursuline College, Westgate-on-Sea	61	91
Stella Maris Catholic Primary School, Folkestone	89	21
St John's Catholic Primary School, Gravesend	435	413
St Mary's Catholic Primary School, Whitstable	28	25
St Edmund's Catholic Primary School, Dover	(238)	(229)
St Edward's Catholic Primary School, Sheerness	174	162
St Teresa's Catholic Primary School, Ashford	95	35
St Augustine's Catholic Primary School, Tunbridge Wells	113	70
Central Services	33	(623)
Total funds before fixed assets fund and pension reserve	3,529	3,353
Restricted fixed assets fund	65,175	63,864
Pension reserve	(12,555)	(14,218)
Total	56,149	52,999

The Trust is carrying a net deficit of £238,000 on restricted general funds (excluding pension reserve) plus unrestricted funds for St Edmund's Secondary Academy in Dover. Prior to academy conversion the school was judged by Ofsted to be in "Special Measures" and subsequently, at the time of academy conversion "Requires Improvement". These judgements had a significant impact on pupil recruitment and these low year groups are now flowing through the academy. The Trust has taken action to return these funds to surplus: a staff re-structure has taken place to reduce expenditure, the poorly attended Sixth Form was closed, and this coupled with more positive academy improvement data and demographic pressures in the local area is yielding improvement to pupil intake. It is anticipated that the deficits will continue to be supported for a further two years before the academy is able to generate a balanced budget and make inroads into the overall deficit due to financial pressures needing to be balanced against the need to display significant and urgent academy improvement.

17 Funds (continued)

Comparative information

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	—	38,747	(39,998)	1,251	—
Start Up Grant	—	26	(26)	—	—
Pupil Premium	—	1,777	(1,777)	—	—
Donated current assets on conversion and acquisition	2,500	167	(167)	(2,003)	497
St Simon Stock Catholic School – Science Legacy	43	—	(43)	—	—
Other DfE/ESFA grants	—	915	(915)	—	—
Local authority grants	—	1,412	(1,412)	—	—
Other restricted funds	—	1,700	(1,700)	—	—
Pension reserve	(15,926)	(517)	(2,146)	4,371	(14,218)
	<u>(13,383)</u>	<u>44,227</u>	<u>(48,184)</u>	<u>3,619</u>	<u>(13,721)</u>
Restricted fixed assets funds					
Transfer on conversion	54,318	2,680	(1,152)	—	55,846
DfE/ESFA capital grants	715	4,156	—	(3,872)	999
Capital expenditure	3,067	—	(672)	4,624	7,019
	<u>58,100</u>	<u>6,836</u>	<u>(1,824)</u>	<u>752</u>	<u>63,864</u>
Total restricted funds	<u>44,717</u>	<u>51,063</u>	<u>(50,008)</u>	<u>4,371</u>	<u>50,143</u>
Unrestricted funds					
General funds	1,847	1,073	(64)	—	2,856
Total unrestricted funds	<u>1,847</u>	<u>1,073</u>	<u>(64)</u>	<u>—</u>	<u>2,856</u>
Total funds	<u>46,564</u>	<u>52,136</u>	<u>(50,072)</u>	<u>4,371</u>	<u>52,999</u>

Notes to the Financial Statements 31 August 2018

17 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	—	78,984	(80,804)	1,820	—
Start Up Grant	—	52	(52)	—	—
Pupil Premium	—	3,665	(3,665)	—	—
Donated current assets on conversion and acquisition	2,500	167	(167)	(2,500)	—
St Simon Stock Catholic School – Science Legacy	43	—	(43)	—	—
Other DfE/ESFA grants	—	1,965	(1,965)	—	—
Local authority grants	—	2,587	(2,587)	—	—
Other restricted funds	—	3,742	(3,742)	—	—
Pension reserve	(15,926)	(517)	(4,289)	8,177	(12,555)
	<u>(13,383)</u>	<u>90,645</u>	<u>(97,314)</u>	<u>7,497</u>	<u>(12,555)</u>
Restricted fixed assets funds					
Transfer on conversion	54,318	2,680	(2,348)	—	54,650
DfE/ESFA capital grants	715	7,622	—	(8,141)	196
Capital expenditure	3,067	—	(1,813)	9,075	10,329
	<u>58,100</u>	<u>10,302</u>	<u>(4,161)</u>	<u>934</u>	<u>65,175</u>
Total restricted funds	<u>44,717</u>	<u>100,947</u>	<u>(101,475)</u>	<u>8,431</u>	<u>52,620</u>
Unrestricted funds					
General funds	1,847	2,067	(131)	(254)	3,529
Total unrestricted funds	<u>1,847</u>	<u>2,067</u>	<u>(131)</u>	<u>(254)</u>	<u>3,529</u>
Total funds	<u>46,564</u>	<u>103,014</u>	<u>(101,606)</u>	<u>8,177</u>	<u>56,149</u>

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted fixed assets fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	—	—	64,979	64,979
Current assets	3,529	5,744	196	9,469
Current liabilities	—	(5,706)	—	(5,706)
Non-current liabilities	—	(38)	—	(38)
Pension scheme liability	—	(12,555)	—	(12,555)
Total net assets	<u>3,529</u>	<u>(12,555)</u>	<u>65,175</u>	<u>56,149</u>

19 Capital commitments

At 31 August 2018, the Partnership had no capital commitments (2017 – none).

20 Commitments under operating leases

At 31 August 2018, the total of the Partnership's future minimum lease payments under non-cancellable operating leases was as follows:

	2018 £'000	2017 £'000
Amounts due within one year	119	137
Amounts due between two and five years inclusive	138	174
	257	311

21 Members' Liability

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

22 Pension and similar obligations

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

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

No contributions were payable to the schemes at 31 August 2018 (2017 - none).

Teachers' Pension Scheme

Introduction

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

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

22 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019. Initial indications suggest that the rate will increase to 23.6%

The employer's pension costs paid to TPS in the period amounted to £3,041,730 (2017 - £2,983,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

22 Pension and similar obligations (continued)***Local Government Pension Scheme (LGPS)***

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £2,158,000 (2017 - £2,009,000), of which employer's contributions totalled £1,661,000 (2017 - £1,543,000) and employees' contributions totalled £497,000 (2017 - £466,000). The agreed contribution rates for future years are 20% for employers and 6% for employees.

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation assumption (CPI)	2.3%	2.7%

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

	At 31 August 2018 years	At 31 August 2017 years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	27.5	27.4

Sensitivity analysis – resultant pension liability from a change in actuarial assumptions	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	32,493	31,481
Discount rate -0.1%	33,941	32,885
Adjustment long term salary increase +0.1%	33,000	32,307
Adjustment long term salary increase -0.1%	33,118	32,044
Life expectancy +1 year	34,315	33,240
Life expectancy -1 year	32,140	31,144

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Partnership's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	14,077	12,642
Gilts	1,834	125
Bonds	2,555	1,729
Property	632	2,204
Cash and other liquid assets	158	569
Absolute return fund	1,398	688
Total market value of assets	20,654	17,957
Less: Liabilities	(33,209)	(32,175)
Net pension liability	(12,555)	(14,218)

The actual return on scheme assets was £837,000 (2017 - £2,418,000).

Amounts recognised in statement of financial activities	2018 £'000	2017 £'000
Current service cost	(3,442)	(3,320)
Past service cost	(6)	(25)
Net interest cost	(348)	(336)
Administration expenses	(8)	(8)
Total amount recognised in the SOFA	(3,804)	(3,689)

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September 2017	32,175	29,254
Upon conversion	—	981
Current service cost	3,442	3,320
Interest cost	839	660
Employee contributions	497	466
Actuarial gain	(3,460)	(3,048)
Benefits paid	(290)	517
Plan introductions, benefit changes and curtailment	6	25
At 31 August 2018	33,209	32,175

Changes in the fair value of the Partnership's share of scheme assets:	2018 £'000	2017 £'000
At 1 September 2017	17,957	13,328
Upon conversion	—	464
Interest income	491	324
Return on plan assets less interest	346	1,323
Administration expenses	(8)	(8)
Employer contributions	1,661	1,543
Employee contributions	497	466
Benefits paid	(290)	517
At 31 August 2018	20,654	17,957

23 Related party transactions

Owing to the nature of the Partnership's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Partnership's financial regulations and normal procurement procedures.

The Partnership received credit facility funding of £420,000 in 2014 from the Diocese of Southwark to support the set-up costs of the Partnership. At 31 August 2018, £50,000 (2017 - £50,000) of this balance of £420,000 has been repaid to the Archdiocese of Southwark. In October 2017 the business and assets of the Diocese of Southwark were transferred to a Charitable Incorporated Organisation – The Roman Catholic Archdiocese of Southwark. All of the Partnership's members are employees of the Diocese of Southwark.

The Partnership has another credit facility of £57,600 (2017 - £76,800) outstanding at 31 August 2018 from the Diocese. This is being repaid at a monthly amount of £1,600.

24 Agency Arrangements

The Partnership distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2018 the Partnership received £80,729 (2017 - £75,253) and disbursed £73,777 (2017 - £75,253) from the fund. £6,952 (2017 - £nil) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

25 Teaching School Trading Account

	2018 Total funds £'000	2018 Total funds £'000	2017 Total funds £'000	2017 Total funds £'000
Income				
Direct income				
Teaching School Grants	78		36	
Other income				
Fundraising and other trading activities	9		10	
Total income		87		46
Expenditure				
Direct costs				
Direct staff costs	31		19	
Total direct costs		(31)		(19)
Other costs				
Technology costs	7		5	
Other support costs	24		19	
Total other costs		(31)		(24)
Total expenditure		(62)		(43)
Surplus from all sources		25		3
Teaching school balances at 1 September 2017		3		—
Teaching school balances at 31 August 2018		28		3