

Registered number: 08148675

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

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THE CARDINAL HUME ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST COMPANY, ITS DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Directors	Mr P Barber, Chairman ¹ Mr N Wisden, Vice Chairman ^{1,2} Mr M Tissot, Chief Executive ¹ Mrs K Griffin ¹ Mrs A Clark, Vice Chair of St George's Catholic School local Board ^{1,2} Mr P Camoletto ¹ Mr M Morton, Chairman of local St George's Catholic School local Board ^{1,2} Mr P Egan, Chairman of local St Thomas More Catholic School local Board (deceased 19 July 2014) ^{1,3} ¹ Strategic board ² St George's Catholic School local board ³ St Thomas More Catholic School local board
Company registered number	08148675
Principal and registered office	St George's Catholic School Lanark Road Maida Vale London W9 1RB
Company secretary	Olayinka Moshood Ogunyomi
Chief executive officer	Martin Tissot
Senior management team	Martin Tissot Olayinka Moshood Ogunyomi Susan Proios
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montagu Close London SE1 9BB

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors (who are also charity trustees under the Charities Acts) present their annual report together with the audited financial statements of The Cardinal Hume Academies Trust (the Academy Trust Company) for the ended 31 August 2014. The Directors confirm that the Annual report and financial statements of the Academy Trust Company comply with the current statutory requirements, the requirements of the Academy Trust Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The Academy Trust Company is a Charitable Company limited by guarantee and an exempt charity. It was incorporated on 18 July 2012 and entered into a Master Funding Agreement with the Secretary of State for Education on 1st March 2013. The Memorandum and Articles of Association, the Trust Deed of the Diocese and Catholic Canon Law are the primary governing documents of the Charitable Company.

The Charitable Company is a multi-academy trust and comprises the following academies:
St George's Catholic School, Maida Vale (joined 1st March 2013)
St Thomas More Catholic School, Wood Green (joined 1st March 2013)

The principal activity of the Charitable Company is to advance, for the public benefit, Catholic education in the Diocese of Westminster and the surrounding area by maintaining and operating The Cardinal Hume Academies Trust.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

The management of the Academy Trust Company is the responsibility of the Directors who are elected and co-opted under the terms of the Memorandum and Articles of Association.

Under the terms of the Charitable Company's Articles of Association, the Company shall have the following Directors who are also the charity trustees:

- Directors appointed by the Board
- Foundation Directors appointed by the Archbishop of Westminster;
- Academy Directors being the elected Chairs of the Local Governing Bodies of the Academies;
- A Chief Executive Officer;
- Sponsor Directors nominated by the Local Governing Body of St George's Catholic School;
- Up to 2 Directors appointed by the Secretary of State for Education; and
- Up to 3 co-opted Directors.

The term of office for any director (other than an ex-officio Director) shall be four years. Subject to remaining eligible to be a particular type of director, any director may be reappointed or re-elected. Foundation Directors outnumber all other Directors by at least two.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

During the period under review, the Directors held 3 meetings. The training and induction provided for new Directors will depend on their existing experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Directors are given a tour of the Academies and the chance to meet with staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors and charity trustees.

THE CARDINAL HUME ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels, the Directors and the executives who form the senior leadership team who meet together as the "Strategic Board".

The Strategic Board has considered its role thoughtfully and decided that the role of the Directors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives. Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

The Strategic Board has approved a formal detailed Scheme of Delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Charitable Company works in collaboration with the Diocese of Westminster Education Service, which operates within the authority given to it by the Archbishop of Westminster, for the delivery of Catholic education within the Academies within the Trust.

g. RISK MANAGEMENT

The Directors have assessed the major risks to which the Academy Trust Company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academies within the Trust, and its finances. The Directors have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy Trust Company and its Academies have an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

h. DIRECTORS' INDEMNITIES

Subject to the provisions of the Companies Act, every director or other officer of the Charitable Company shall be indemnified out of the assets of the Charitable Company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of a "multi academy trust" to establish, maintain, carry on, manage and develop in the United Kingdom Catholic schools for the advancement of the Catholic religion designated as such ("the Academies") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law. The Academy Trust Company must have regard to any advice and follow any directive issued by the Archbishop of Westminster.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academies during the period are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care, to raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Academies' business in accordance with the highest standards of integrity, probity and openness.

The Academies' vision is to create:

- A strong ethos of achievement leading to improved standards;
- Appropriate thinking skills.

This is achieved through developing:

- A sense of personal identity;
- A sense of belonging to an individual academy and an understanding of the Catholic character of that academy;
- An emphasis on personal and community responsibility;
- A positive learning climate in terms of the nature of courses offered and teaching styles utilised; and
- Positive relationships with external partners.

c. PUBLIC BENEFIT

In setting the objectives, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the Strategic Board, has a reasonable expectation that the Academy Trust Company 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 Accounting Policies.

b. REVIEW OF ACTIVITIES

Both schools within the Academy Trust Company achieved very good examination results for their Year 11 students. St Thomas More dipped from the 93% 5 A*-C figure (including English and Maths), to 86%. This latter statistic is still very high and confirms the school is firmly within 'outstanding' territory. Similarly, St George's achieved 76% on the 5A*-C measure including English and Maths, a rise of 11% on last year, this represents outstanding value added. The caveat is that these results were achieved by ploughing on with the policy of early entry, which both schools believe is a fulcrum to raising attainment. Published headline figures for both schools in January 2015 will drop significantly (probably to circa 55% in both schools) which may require us to explain how good our results really are. St George's has been successful in obtaining permission from the DfE to operate its own Sixth Form from September 2014. However, without additional classrooms built within the footprint of the school there will be increased pressure on rooms and circulation space. The school achieved outstanding Sixth Form results last year and it is important to maintain these in a competitive Sixth Form market. Since St George's has not been subject to an Ofsted inspection since 2010 an inspection is more probable this year and the school is preparing accordingly. The main strategy to continue to improve examination results at St George's is to tighten the testing culture, ensuring more vigorous and regular assessments. St Thomas More School was awarded Teaching School status in July last year and is strengthening links with other institutions. Both schools have introduced strategies to lengthen the school day, to provide extra opportunities for students to

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

carry on studying in to the early evening and this includes the provision of a free evening meal This complements the provision of a free breakfast each day for those who arrive before 8:20am. Within the envelope of the academy, the St George's financial position is secure, with the intention that accumulated savings fund Sixth Form development in the future. The St Thomas More financial position is a cause for concern as the school is not likely to be out of a deficit situation by the previous 2018 deadline. This is due to changes to funding arrangements and not down to poor planning. The academy is in discussions with the Education Funding Agency to find a solution.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy Trust Company and its academies are exposed to a number of financial risks including credit, cash flow and liquidity risks. Given academies' exposure to financial instruments is limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy Trust Company's system of internal controls ensures risk is minimal in these areas.

b. RESERVES POLICY

Reserves at the end of the period amounted to £2,267,837 before deducting the Local Government Pension Scheme deficit of £1,635,000. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Directors will keep this level of reserves under review.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Academy Trust Company in consultation with its Academies will continue to strive to improve levels of performance of its students at all levels. The Academy Trust Company and its Academies will continue over the next year to work together for the common good as a Catholic family of schools ensuring the long term future of Catholic education. The Strategic Board will continue to look for opportunities of funding to support via the Academies Capital Funding Programme to improve the facilities and provision for the young people within our care.

The Trust will consider applications from schools to join the Trust but no decisions have been taken at this time to expand.

DISCLOSURE OF INFORMATION TO AUDITORS


Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

This report was approved by order of the Strategic Board on 12 December 2014 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Paul Barber', with a small horizontal line underneath.

Mr P Barber
Chairman of Directors

THE CARDINAL HUME ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Strategic Board has delegated the day-to-day responsibility to the Chief Executive, 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 Cardinal Hume Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Strategic Board 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 Directors' Responsibilities Statement. The Strategic Board has formally met 4 times during the year. Attendance during the year at meetings of the Strategic Board was as follows:

Director	Meetings attended	Out of a possible
Mr P Barber, Chairman	3	4
Mr N Wisden, Vice Chairman	4	4
Mr M Tissot, Chief Executive	4	4
Mrs K Griffin	4	4
Mrs A Clark, Vice Chair of St George's Catholic School local Board	3	4
Mr P Camoletto	3	4
Mr M Morton, Chairman of local St George's Catholic School local Board	3	4
Mr P Egan, Chairman of local St Thomas More Catholic School local Board	1	4

This report covers the 12 month period to 31 August 2014. The Academy Trust had 2 member schools at that date. The Strategic Board of the Academy Trust Company has been drawn from representatives appointed on behalf of the Archbishop, Chairs of the Local Governing Bodies and the Executive Principal of the Academies. The Academy Trust Company has followed four principles to guide its operation and practices:

1. Catholic Ecclesiology.
2. Minimisation of bureaucratic structure.
3. Equality of access.
4. Minimum change at point of conversion for schools.

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 Academy Trust Company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cardinal Hume Academies Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Strategic Board has reviewed the key risks to which the Academy Trust Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Strategic Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust Company's significant risks, that has been in place for the year 1 September 2013 to 31 August

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GOVERNANCE STATEMENT (continued)

2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Board.

THE RISK AND CONTROL FRAMEWORK

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

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

The Strategic Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed:

- Buzzacott LLP, a Director, as Responsible Officer (RO);
- Mr P Bonn (not a Trustee or Governor), the external auditors, to perform additional checks.

The RO role includes giving advice on financial matters and performing a range of checks on the Academy Trust Company's financial systems. On a termly basis, the RO reports to the Strategic Board on the operation of the systems of control and on the discharge of the Strategic Board's financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive 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 Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust Company who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Strategic Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Strategic Board on 12 December 2014 and signed on its behalf, by:



Paul Barber
Chairman of Directors



Martin Tissot
Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Cardinal Hume Academies Trust I have considered my responsibility to notify the Academy Trust Company Strategic Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy Trust Company Strategic Board are able to identify any material, irregular or improper use of funds by the Academy Trust Company, or material non-compliance with the terms and conditions of funding under the Academy Trust Company's funding agreement and the Academies Financial Handbook (2013).

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 Strategic Board and EFA.

A handwritten signature in black ink, appearing to read 'Martin Tissot', with a stylized flourish at the end.

Martin Tissot
Accounting Officer

Date: 12 December 2014

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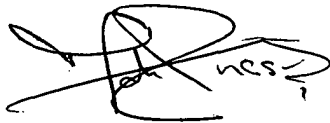
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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I confirm that I and the Academy Trust Company Strategic Board are able to identify any material, irregular or improper use of funds by the Academy Trust Company, or material non-compliance with the terms and conditions of funding under the Academy Trust Company's funding agreement and the Academies Financial Handbook (2013).

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 Strategic Board and EFA.

Martin Tissot
Accounting Officer

A handwritten signature in black ink, appearing to be 'M. Tissot', with a large, stylized 'X' or 'R' shape over it.

Date: 12 December 2014

THE CARDINAL HUME ACADEMIES TRUST
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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Directors of the Cardinal Hume Academies Trust (who are also its charity trustees under the Charities Acts) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 incoming resources and application of resources, including 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Strategic Board on 12 December 2014 and signed on its behalf by:



Paul Barber
Chairman of Directors

THE CARDINAL HUME ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE CARDINAL HUME
ACADEMIES TRUST**

We have audited the financial statements of The Cardinal Hume Academies Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy Trust 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 Academy Trust Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust Company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the Company's charity trustees under the Charities Acts) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust Company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CARDINAL HUME ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE CARDINAL HUME
ACADEMIES TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
12 December 2014

THE CARDINAL HUME ACADEMIES TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
CARDINAL HUME ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cardinal Hume Academies Trust during the year 1 September 2013 to 31 August 2014 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 The Cardinal Hume Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Cardinal Hume Academies Trust and EFA 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 Cardinal Hume Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE CARDINAL HUME ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Cardinal Hume Academies Trust's funding agreement with the Secretary of State for Education dated 1 March 2013, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 year 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
CARDINAL HUME ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michael Durst (Senior statutory auditor), for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

12 December 2014

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	10,000	10,000	(314,212)
Activities for generating funds	3	112,974	312,105	-	425,079	94,185
Investment income	4	2,639	-	-	2,639	737
Incoming resources from charitable activities	5	-	12,782,865	77,204	12,860,069	6,015,331
TOTAL INCOMING RESOURCES		115,613	13,094,970	87,204	13,297,787	5,796,041
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	18,231	85,512	-	103,743	84,866
Charitable activities		-	12,004,079	129,608	12,133,687	5,670,922
Governance costs	7	-	69,685	-	69,685	36,088
TOTAL RESOURCES EXPENDED	10	18,231	12,159,276	129,608	12,307,115	5,791,876
NET INCOMING RESOURCES BEFORE TRANSFERS		97,382	935,694	(42,404)	990,672	4,165

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	<i>Total funds 6 months 2013 £</i>
Transfers between Funds	22	-	(270,385)	270,385	-	-
NET INCOME FOR THE YEAR		97,382	665,309	227,981	990,672	4,165
Actuarial gains and losses on defined benefit pension schemes		-	(261,000)	-	(261,000)	(101,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		97,382	404,309	227,981	729,672	(96,835)
<i>Total funds at 1 September 2013</i>		<i>228,242</i>	<i>(863,712)</i>	<i>538,635</i>	<i>(96,835)</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		325,624	(459,403)	766,616	632,837	(96,835)

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 39 form part of these financial statements.

THE CARDINAL HUME ACADEMIES TRUST

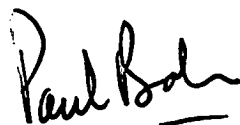
(A company limited by guarantee)

REGISTERED NUMBER: 08148675

**BALANCE SHEET
AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	18		506,616		288,635
CURRENT ASSETS					
Debtors	19	466,998		386,862	
Cash at bank and in hand		2,817,311		2,240,181	
		<u>3,284,309</u>		<u>2,627,043</u>	
CREDITORS: amounts falling due within one year	20	(912,777)		(893,833)	
NET CURRENT ASSETS			2,371,532		1,733,210
TOTAL ASSETS LESS CURRENT LIABILITIES			2,878,148		2,021,845
CREDITORS: amounts falling due after more than one year	21		(610,311)		(769,680)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			2,267,837		1,252,165
Defined benefit pension scheme liability	26		(1,635,000)		(1,349,000)
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITY			<u>632,837</u>		<u>(96,835)</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	1,175,597		485,288	
Restricted fixed asset funds	22	766,616		538,635	
		<u>1,942,213</u>		<u>1,023,923</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,635,000)		(1,349,000)	
Total restricted funds			307,213		(325,077)
Unrestricted funds	22		325,624		228,242
TOTAL FUNDS/(DEFICIT)			<u>632,837</u>		<u>(96,835)</u>

The financial statements were approved by the Directors, and authorised for issue, on 12 December 2014 and are signed on their behalf, by:



Paul Barber
Chairman of Directors

The notes on pages 19 to 39 form part of these financial statements.

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

		31 August 2014 £	6 months ended 31 August 2013 £
Net cash flow from operating activities	24	1,009,523	835,245
Returns on investments and servicing of finance	25	(2,639)	(737)
Capital expenditure and financial investment	25	(270,385)	(47,074)
Cash transferred on conversion to an academy trust		-	1,452,747
CASH INFLOW BEFORE FINANCING		736,499	2,240,181
Financing	25	(159,369)	-
INCREASE IN CASH IN THE YEAR		577,130	2,240,181

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	31 August 2014 £	6 months ended 31 August 2013 £
Increase in cash in the year	577,130	2,240,181
Cash outflow from decrease in debt and lease financing	159,369	-
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	736,499	2,240,181
Long term loan	(163,544)	(769,680)
MOVEMENT IN NET FUNDS IN THE YEAR	572,955	1,470,501
Net funds at 1 September 2013	1,470,501	-
NET FUNDS AT 31 AUGUST 2014	2,043,456	1,470,501

The notes on pages 19 to 39 form part of these financial statements.

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust Company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy Trust Company being notified of an impending distribution or the legacy being received.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy Trust Company which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust Company are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust Company can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust Company's policies.

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

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy Trust Company's educational operations.

Governance costs include the costs attributable to the Academy Trust Company's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy Trust Company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

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

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

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

Plant and machinery	-	10 years
Motor vehicles	-	10 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

1.7 Taxation

The Academy Trust Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust Company 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.

1.8 Pensions

Retirement benefits to employees of the Academy Trust Company are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust Company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust Company 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 quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy Trust Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust Company 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

THE CARDINAL HUME ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Donations	-	10,000	10,000	-
Net liabilities inherited on conversion to academy	-	-	-	(314,212)
Voluntary income	-	10,000	10,000	(314,212)

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Trip income	-	312,105	312,105	60,653
Lettings income	112,974	-	112,974	33,532
	112,974	312,105	425,079	94,185

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Bank interest	2,639	-	2,639	737

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Educational operations	-	12,860,069	12,860,069	6,015,331

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
DfE/EFA revenue grants				
GAG income	-	11,464,792	11,464,792	5,494,720
Other EFA income	-	906,226	906,226	233,548
LA and other government grants	-	489,051	489,051	287,063
	<u>-</u>	<u>12,860,069</u>	<u>12,860,069</u>	<u>6,015,331</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Educational visits costs	18,231	85,512	103,743	67,450
Voluntary income staff costs	-	-	-	17,416
	<u>18,231</u>	<u>85,512</u>	<u>103,743</u>	<u>84,866</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Auditors' remuneration	-	7,500	7,500	6,000
Auditors' non audit costs	-	9,370	9,370	6,550
Human resources, legal and payroll services	-	41,381	41,381	19,979
Other governance costs	-	11,434	11,434	3,559
	<u>-</u>	<u>69,685</u>	<u>69,685</u>	<u>36,088</u>

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. DIRECT COSTS

	Educational operations £	Total 2014 £	<i>Total 6 months 2013 £</i>
Educational - non ICT expenditure	273,473	273,473	94,731
Educational ICT expenditure	173,623	173,623	137,394
Staff development	79,790	79,790	14,608
Educational supplies and services	2,845	2,845	370
Examination fees	186,435	186,435	138,785
Educational consultancy	103,928	103,928	128,223
Recruitment and support	20,394	20,394	33,881
Supply teaching costs	442,546	442,546	150,258
Wages and salaries	6,252,471	6,252,471	2,951,303
National insurance	545,399	545,399	257,377
Pension cost	718,350	718,350	328,870
	<u>8,799,254</u>	<u>8,799,254</u>	<u>4,235,800</u>

9. SUPPORT COSTS

	Educational operations £	Total 2014 £	<i>Total 6 months 2013 £</i>
Pension income	25,000	25,000	16,000
Non-educational ICT expenditure	29,572	29,572	24,678
Staff development	14,488	14,488	8,237
Other direct costs	357,588	357,588	131,367
Building maintenance	415,930	415,930	177,779
Grounds maintenance	38,196	38,196	4,670
Cleaning	198,453	198,453	110,086
Energy costs	187,836	187,836	82,260
Insurance	97,192	97,192	47,087
Catering	323,966	323,966	145,599
Other occupation costs	45,801	45,801	39,650
Other support costs	313,065	313,065	130,285
Wages and salaries	927,120	927,120	393,913
National insurance	68,603	68,603	28,612
Pension cost	162,015	162,015	55,840
Depreciation	129,608	129,608	39,059
	<u>3,334,433</u>	<u>3,334,433</u>	<u>1,435,122</u>

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. RESOURCES EXPENDED

	Staff costs	Non Pay Depreciation	Expenditure Other costs	Total	Total 6 months
	2014	2014	2014	2014	2013
	£	£	£	£	£
Costs of generating voluntary income	-	-	103,743	103,743	84,866
Costs of generating funds	-	-	103,743	103,743	84,866
Educational operations	7,958,766	-	840,488	8,799,254	4,235,800
Support costs - Educational operations	1,157,737	129,608	2,047,088	3,334,433	1,435,122
Charitable activities	9,116,503	129,608	2,887,576	12,133,687	5,670,922
Governance	-	-	69,685	69,685	36,088
	9,116,503	129,608	3,061,004	12,307,115	5,791,876

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total 6 months
	2014	2014	2014	2013
	£	£	£	£
Educational operations	8,799,254	3,334,433	12,133,687	5,670,922

12. NET INCOMING RESOURCES

This is stated after charging:

	31 August 2014	6 months ended 31 August 2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	129,608	39,059
Auditors' remuneration	7,500	6,000
Auditors' remuneration - non-audit	9,370	6,550

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014	<i>6 months ended 31 August 2013</i>
	£	£
Wages and salaries	7,179,591	3,360,876
Social security costs	614,001	287,744
Other pension costs (Note 26)	880,365	384,710
	<u>8,673,957</u>	<u>4,033,330</u>
Supply teacher costs	442,546	150,258
	<u><u>9,116,503</u></u>	<u><u>4,183,588</u></u>

b. Staff numbers

The average number of persons employed by the Academy Trust Company during the year expressed as full time equivalents was as follows:

	31 August 2014	<i>6 months ended 31 August 2013</i>
	No.	No.
Teachers	111	86
Administration and support	92	80
Management	12	13
	<u>215</u>	<u>179</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	31 August 2014	<i>6 months ended 31 August 2013</i>
	No.	No.
In the band £60,001 - £70,000	5	1
In the band £70,001 - £80,000	5	0
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	2	0
In the band £100,001 - £200,000	1	0
	<u>14</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme (TPS) and employer contributions amounting to £151,433 were paid during the period.

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. CENTRAL SERVICES

The Academy Trust Company has provided the following central services to its academies during the year:

- Secondment of teaching and administrative staff
- Provision of sixth form by St George's Catholic School

The Academy Trust Company charges for these services on the following basis:

Recharge of cost of provision only.

The actual amounts charged during the year were as follows:

	31 August 2014 £
St George's Catholic School	1,018,511
St Thomas More Catholic School	136,478
Total	<u>1,154,989</u>

15. DIRECTORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Director (2013 - NIL) in respect of defined benefit pension schemes:

The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy Trust Company in respect of their role as Directors. The value of Directors' remuneration fell within the following bands:

	31 August 2014 £'000	6 months ended 31 August 2013 £'000
Mr M Tissot	150-155	65-70

During the year, no Directors received any reimbursement of expenses (2013 - £NIL).

16. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,200,000 on any one claim and the cost for the year ended 31 August 2014 was £1187 (2013 - £581). The cost of this insurance is included in the total insurance cost.

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. OTHER FINANCE INCOME

	31 August 2014 £	6 months ended 31 August 2013 £
Expected return on pension scheme assets	146,000	57,000
Interest on pension scheme liabilities	(171,000)	(73,000)
	<u>(25,000)</u>	<u>(16,000)</u>

18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost				
At 1 September 2013	57,342	82,500	28,000	27,420
Additions	42,907	25,314	-	6,755
At 31 August 2014	<u>100,249</u>	<u>107,814</u>	<u>28,000</u>	<u>34,175</u>
Depreciation				
At 1 September 2013	573	11,417	2,550	2,742
Charge for the year	2,005	10,782	4,800	5,918
At 31 August 2014	<u>2,578</u>	<u>22,199</u>	<u>7,350</u>	<u>8,660</u>
Net book value				
At 31 August 2014	<u>97,671</u>	<u>85,615</u>	<u>20,650</u>	<u>25,515</u>
At 31 August 2013	<u>56,769</u>	<u>71,083</u>	<u>25,450</u>	<u>24,678</u>

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. TANGIBLE FIXED ASSETS (continued)

	Computer equipment £	Assets under construction £	Total £
Cost			
At 1 September 2013	132,432	-	327,694
Additions	223,988	48,625	347,589
At 31 August 2014	356,420	48,625	675,283
Depreciation			
At 1 September 2013	21,777	-	39,059
Charge for the year	106,103	-	129,608
At 31 August 2014	127,880	-	168,667
Net book value			
At 31 August 2014	228,540	48,625	506,616
At 31 August 2013	110,655	-	288,635

19. DEBTORS

	2014 £	2013 £
Trade debtors	57,257	249
Other debtors	-	11,181
Prepayments and accrued income	48,112	33,470
Tax recoverable	215,591	187,626
Grants Receivable	146,038	154,336
	466,998	386,862

**20. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Other loans	163,544	-
Trade creditors	238,228	488,080
Other taxation and social security (see below)	187,038	183,167
Other creditors	59,398	222,376
Accruals and deferred income	264,569	210
	912,777	893,833

THE CARDINAL HUME ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. CREDITORS:
Amounts falling due within one year (continued)

Other taxation and social security

	2014 £	2013 £
PAYE/NI control	187,038	183,167
	<u> </u>	<u> </u>
		£
Deferred income		
Deferred income at 1 September 2013		7,350
Resources deferred during the year		231,809
Amounts released from previous years		(7,350)
		<u> </u>
Deferred income at 31 August 2014		231,809
		<u> </u>

21. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Other loans	610,311	769,680
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2014 £	2013 £
Between one and two years		
Other loans	27,088	-
	<u> </u>	<u> </u>
Between two and five years		
Other loans	583,223	-
	<u> </u>	<u> </u>
Over five years		
Other loans	-	769,680
	<u> </u>	<u> </u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable other than by instalments	-	769,680
	<u> </u>	<u> </u>

The above includes a loan balance of £569,680 due to the EFA, £250,000 repayable in 2015/16 and £319,680 repayable in 2016/17 academic years.
A Salix loan of £40,631 is repayable in annual instalments of £13,544.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	228,242	115,613	(18,231)	-	-	325,624
Restricted funds						
Restricted Funds - all funds	485,288	13,094,970	(12,134,276)	(270,385)	-	1,175,597
Pension reserve	(1,349,000)	-	(25,000)	-	(261,000)	(1,635,000)
	(863,712)	13,094,970	(12,159,276)	(270,385)	(261,000)	(459,403)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	538,635	87,204	(129,608)	270,385	-	766,616
Total restricted funds	(325,077)	13,182,174	(12,288,884)	-	(261,000)	307,213
Total of funds	(96,835)	13,297,787	(12,307,115)	-	(261,000)	632,837

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy Trust Company was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
St George's Catholic School	2,432,371
St Thomas More Catholic School	(931,150)
Total before fixed asset fund and pension reserve	1,501,221
Restricted fixed asset fund	766,616
Pension reserve	(1,635,000)
Total	<u>632,837</u>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
St Thomas More Catholic School	931,150

This academy had a revenue deficit on 1 March 2013 of £769,680, inherited from the predecessor school.

The Academy Trust Company is taking the following action to return the academy to surplus:

A staff restructure took place in the previous financial period. This had been expected to enable the deficit to be repaid within 5 years. However, due to changes in funding arrangements, the deficit is not likely to be returned to surplus within this period, and the academy is in discussions with the Education Funding Agency to find a solution.

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding deprec'n. £	Total £
St George's Catholic School	4,513,826	413,592	440,330	907,382	6,275,130
St Thomas More Catholic School	3,788,318	800,371	1,352,404	1,091,183	7,032,276
	<u>8,302,144</u>	<u>1,213,963</u>	<u>1,792,734</u>	<u>1,998,565</u>	<u>13,307,406</u>

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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
General funds	228,242	115,613	(18,231)	-	-	325,624
Restricted funds	(863,712)	13,094,970	(12,159,276)	(270,385)	(261,000)	(459,403)
Restricted fixed asset funds	538,635	87,204	(129,608)	270,385	-	766,616
	<u>(96,835)</u>	<u>13,297,787</u>	<u>(12,307,115)</u>	<u>-</u>	<u>(261,000)</u>	<u>632,837</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 6 months 2013 £
Tangible fixed assets	-	-	506,616	506,616	288,635
Current assets	889,218	2,135,090	260,000	3,284,308	2,627,043
Creditors due within one year	(560,668)	(352,108)	-	(912,776)	(893,833)
Creditors due in more than one year	(2,926)	(607,385)	-	(610,311)	(769,680)
Provisions for liabilities and charges	-	(1,635,000)	-	(1,635,000)	(1,349,000)
	<u>325,624</u>	<u>(459,403)</u>	<u>766,616</u>	<u>632,837</u>	<u>(96,835)</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2014 £	6 months ended 31 August 2013 £
Net incoming resources before revaluations	990,672	4,165
Returns on investments and servicing of finance	2,639	737
Net liabilities gifted by predecessor schools	-	314,212
Depreciation of tangible fixed assets	129,608	39,059
Capital grants from DfE	(77,204)	(30,899)
Increase in debtors	(80,136)	(386,862)
Increase in creditors	18,944	893,833
FRS 17 adjustments	25,000	1,000
Net cash inflow from operations	<u>1,009,523</u>	<u>835,245</u>

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25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2014 £	6 months ended 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	(2,639)	(737)
	<u>(2,639)</u>	<u>(737)</u>
	31 August 2014 £	6 months ended 31 August 2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(347,589)	(77,973)
Capital grants from DfE	77,204	30,899
	<u>(270,385)</u>	<u>(47,074)</u>
Net cash outflow capital expenditure		
	31 August 2014 £	6 months ended 31 August 2013 £
Financing		
Other new loans	54,175	-
Repayment of other loans	(213,544)	-
	<u>(159,369)</u>	<u>-</u>
Net cash outflow from financing		

26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £59,398 were payable to the scheme at 31 August 2014 (2013 - £57,517) and are included within creditors.

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

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26. PENSION COMMITMENTS (continued)

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.

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

Valuation of the Teachers' Pension Scheme

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 (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

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26. PENSION COMMITMENTS (continued)

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust Company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust Company has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust Company has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £359,000, of which employer's contributions totalled £288,000 and employees' contributions totalled £71,000. The agreed contribution rates for future years are 22.3% for employers and between 5.8% and 6.8% 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.

The amounts recognised in the Balance sheet are as follows:

	31 August 2014 £	<i>6 months ended 31 August 2013 £</i>
Present value of funded obligations	(4,410,000)	<i>(3,434,000)</i>
Fair value of scheme assets	2,775,000	<i>2,085,000</i>
Net liability	<u>(1,635,000)</u>	<i><u>(1,349,000)</u></i>

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2014 £	<i>6 months ended 31 August 2013 £</i>
Current service cost	(288,000)	<i>(118,000)</i>
Interest on obligation	(171,000)	<i>(73,000)</i>
Expected return on scheme assets	146,000	<i>57,000</i>
Total	<u>(313,000)</u>	<i><u>(134,000)</u></i>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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

	31 August 2014 £	6 months ended 31 August 2013 £
Opening defined benefit obligation	3,434,000	-
Current service cost	288,000	118,000
Interest cost	171,000	73,000
Contributions by scheme participants	71,000	32,000
Actuarial Losses	313,000	111,000
Liabilities assumed in a business combination	-	3,100,000
Benefits paid	133,000	-
	<u>4,410,000</u>	<u>3,434,000</u>
Closing defined benefit obligation	<u>4,410,000</u>	<u>3,434,000</u>

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

	31 August 2014 £	6 months ended 31 August 2013 £
Opening fair value of scheme assets	2,085,000	-
Expected return on assets	146,000	57,000
Actuarial gains and (losses)	52,000	10,000
Contributions by employer	288,000	133,000
Contributions by employees	71,000	32,000
Assets acquired in a business combination	-	1,853,000
Benefits paid	133,000	-
	<u>2,775,000</u>	<u>2,085,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £362,000 (2013 - £101,000).

The Academy Trust Company expects to contribute £296,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	76.00 %	79.00 %
Bonds	14.00 %	14.00 %
Property	9.00 %	6.00 %
Cash	1.00 %	1.00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

City of Westminster Pension Fund

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Expected return on scheme assets at 31 August	6.00 %	6.70 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	2.90 %

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

	2014	2013
Retiring today		
Males	22	22.5
Females	25.1	24.6
Retiring in 20 years		
Males	24.1	24.3
Females	27.4	26.6

London Borough of Haringey Pension Fund

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.70 %	5.00 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %
Inflation assumption (CPI)	2.90 %	2.90 %

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

	2014	2013
Retiring today		
Males	21.9	21.9
Females	24.1	24.7
Retiring in 20 years		
Males	24.2	23.3
Females	26.5	26.1

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26. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(4,410,000)	(3,434,000)
Scheme assets	2,775,000	2,085,000
Deficit	(1,635,000)	(1,349,000)
Experience adjustments on scheme liabilities	(313,000)	(111,000)
Experience adjustments on scheme assets	52,000	10,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy Trust Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
Expiry date:				
Within 1 year	-	-	7,073	-
Between 2 and 5 years	-	-	17,835	20,160

28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.