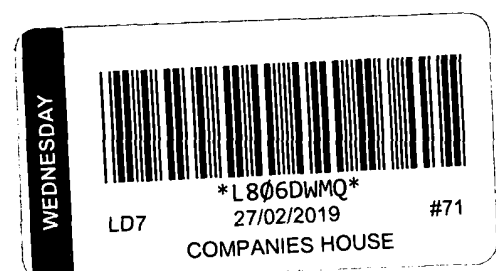


Company Registration Number: 08148675 (England and Wales)

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



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 MEMBERS/
DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	His Eminence Vincent Cardinal Nichols The Right Revd John Wilson Mr J P Morrison
Directors	Mr J Meadows, Chairman from 1 October 2018 ^{1,3} Mr M Tissot, Chief Executive ^{1,2,3,4} Mr N Wisden, Chairman from 8 June 2017 (resigned 31 August 2018) ^{1,2,4} Mrs A Clark, Vice Chair of St George's Catholic School local Board ^{1,2,3} Mr P Camoletto ¹ Mr C Horsburgh, Chairman of St George's Catholic School local board ^{1,2} Mr M Veal, Chairman of Bishop Douglass School local board ^{1,3,4} ¹ Strategic board ² St George's Catholic School local board ³ St Thomas More Catholic School local board ⁴ Bishop Douglass School local board
Company registered number	08148675
Company name	The Cardinal Hume Academies Trust
Principal and registered office	St George's Catholic School Lanark Road Maida Vale London W9 1RB
Company secretary	Melanie Barker
Chief executive officer	Martin Tissot
Senior management team	Martin Tissot, Chief Executive Officer James Martin, Acting Deputy Chief Executive Officer Melanie Barker, Chief Financial Officer Mark Rowland, Head of School, St Thomas More Catholic School Michelle Henderson, Acting Head of School, St George's Catholic School Delores McLean-Boyd, Associate Headteacher, Bishop Douglass Catholic School
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR

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 2018**

Advisers (continued)

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 2018

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Directors' Report, and a Directors' report under company law.

Structure, governance and management

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.

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 governors 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.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

Raising money for local, national and international charities.
Making sports facilities including astro-turf pitches available to local groups.
Letting school premises to community groups including youth clubs and language schools.
Leading Age UK ICT training sessions for senior citizens.
Providing events for local senior citizens at Christmas.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Running Maths, Science and SATS booster classes for primary school children.

Achievements and performance

a. REVIEW OF ACTIVITIES

The Directors are pleased that examination results across the Trust remain strong. St George's recorded a progress 8 figure of 0.68, Bishop Douglass a progress 8 figure of 0.78, St Thomas More 0.25. The last figure for STM is a drop from previous years when data showed progress 8 in excess of 0.5.

Sixth Form performance across the Trust is very good with all schools achieving value-added gains. In progress terms, St Thomas More A level performance improved yet again and is now excellent. Bishop Douglass performance is also very strong with St George's performance dipping slightly but still classified as good. University progression is very high (90%+) in each of the schools.

The Trust continues to be successful in winning CIF bids and using its reserves to develop infrastructure. At St George's the major expansion to take additional pupils (raising the PAN to 180) is still underway with a new finish date of April 2019. In St Thomas More, work is being undertaken to renew the boiler system. In Bishop Douglass, significant roofing repairs have made improved the condition of buildings.

A new four room block is planned on the St Thomas More site to house Sixth Form students.

The financial position of the Trust remains healthy with the reserves increasing. However, balancing revenue expenditure with income remains a challenge as real income is falling because costs are increasing. Cost cutting exercises are in place in all schools but every school is committed to ensuring a rich and broad curriculum offer including extra-curricula provision and will continue to support after-school, holiday and Saturday teaching.

b. FUNDRAISING ACTIVITIES/INCOME GENERATION

The Trust raises funds from parents for contributions to trips and activities and letting of facilities. No professional fundraisers are used, these activities being internally controlled and managed.

Financial review

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. FINANCIAL 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.

Both schools maintain a rag-rated risk register and are taking the appropriate action to mitigate identified risks. The parameters are reviewed as new risks arise.

THE CARDINAL HUME ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Actions taken to reduce risk include ensuring an adequate level of insurance cover in both schools. Both schools have a HR contract and Legal services contract which ensures that timely advice can be sought.

c. RESERVES POLICY

Reserves at the end of the period amounted to £2,193,864 (2017 - £2,518,434) before deducting the Local Government Pension Scheme deficit of £3,417,000 (2017 - £3,781,000) and fixed asset reserve of £5,513,798 (2017 - £3,437,350). 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.

d. CONSTITUTION

The Academy Trust Company is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Directors of The Cardinal Hume Academies Trust are also the directors of the Charitable Company for the purpose of company law.

The Charitable Company is known as The Cardinal Hume Academies Trust.

Details of the Directors who served during the are included in the Reference and administrative details on page 1.

The Charitable Company is a multi-academy trust and comprises the following academies:

St George's Catholic School, Maida Vale
St Thomas More Catholic School, Wood Green
Bishop Douglass School, East Finchley

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.

e. 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.

f. 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;

THE CARDINAL HUME ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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.

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

During the period under review, the Directors held 4 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.

h. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Each school within the Academy Trust operates a robust Pay Policy which set out the framework for making decisions on staff pay. It has been developed to comply with the current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery of the curriculum and academy improvement plans;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to Academy improvement;
- ensure that pay decisions are made in a fair and transparent way; and
- ensure that budgetary funds are allocated appropriately.

Remuneration awards in the year are subject to the key management personnel demonstrating a sustained high quality of performance, as indicated by the extent to which objectives delineated in his/her annual Performance Management appraisal have been met. A discretionary time-limited pay award for key personnel who have reached the top of their relevant pay range may be awarded. The Executive Head teacher ensures that all pay recommendations are presented to the appropriate Governors' pay committee. The Executive Headteacher's pay is reviewed by a separate committee of the Academy Trust.

i. 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

J. 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.

Mr M Tissot, the Chief Executive, is Executive Headteacher of Salvatorian College, an academy trust based in Harrow Weald, Middlesex. During the period the trust provided staff to Salvatorian College.

K. 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.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust is aspirational for the children taught in its schools and is looking for ways to safeguard academic standards whilst ensuring necessary efficiencies and cost-cutting in the light of real-term reductions in funding.

The focus is now on leading practitioners (rather than departments) who are assuming accountability for standards trust-wide.

The MAT continues to support Salvatorian College in Harrow and through the teaching school arm of St Thomas More is extending its range of partnerships.

The appointment of an Acting Deputy CEO has strengthened operational management and gives more stability for the future growth of the Trust.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The Academy Trust Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Academy Trust Company's Equal Opportunities Policy, the Academy Trust Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust Company's offices.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have 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.

The Directors' Report was approved by order of the Strategic Board, as the company directors, on 12 December 2018 and signed on its behalf by:



John Meadows
Chairman of Directors

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

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 Principal, 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 J Meadows, Chairman from 1 October 2018	2	4
Mr M Tissot, Chief Executive	4	4
Mr N Wisden, Chairman from 8 June 2017	4	4
Mrs A Clark, Vice Chair of St George's Catholic School local Board	4	4
Mr P Camoletto	4	4
Mr C Horsburgh, Chairman of St George's Catholic School local board	2	4
Mr M Veal, Chairman of Bishop Douglass School local board	4	4

This report covers the 12 month period to 31 August 2018. The Academy Trust had 3 member schools at that date. The Strategic Board of the Academy Trust Company has been drawn from representatives on behalf of the Archbishop, Chairs of the Local Governing Bodies and the Executive Principal of the Academies. The Academy Trust Company has 4 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.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust Company delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust Company's use of its resources has provided good value for money during each academic year, and reports to the Strategic Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust Company has delivered improved value for money during the year by:

- Revisiting the curriculum offer to ensure further efficiency savings.
- Ensuring that all contracts are renegotiated centrally
- Training staff in-house where possible and reducing the use of external providers and consultants.

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GOVERNANCE STATEMENT (continued)

- Extending the letting of facilities across Trust 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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 to appoint Buzzacott LLP to perform assurance work on key controls and financial procedures.

Buzzacott's reports are reported to the Strategic board through the Finance and Audit Committee. Reports have not indicated any material weaknesses.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 internal auditor;
- the work of the external reviewer;
- 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 ensure continuous improvement of the system is in place.

THE CARDINAL HUME ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Strategic Board on 12 December 2018 and signed on their behalf, by:



John Meadows
Chair of Trustees



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 board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust 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 academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement 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 trustees and ESFA.



Martin Tissot
Accounting Officer

Date: 12 December 2018

THE CARDINAL HUME ACADEMIES TRUST
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 & 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 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 ESFA/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 2018 and signed on its behalf by:



John Meadows
Chairman of Directors

THE CARDINAL HUME ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CARDINAL HUME ACADEMIES TRUST**

OPINION

We have audited the financial statements of The Cardinal Hume Academies Trust (the 'Academy Trust Company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CARDINAL HUME ACADEMIES TRUST**

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 Auditors' 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 TRUSTEES

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, 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 Academy Trust 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 Academy Trust Company or

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CARDINAL HUME ACADEMIES TRUST**

to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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.

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 Auditors' Report.

USE OF OUR REPORT

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 opinions we have formed.

 for Landau Baker Limited

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 2018

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 15 May 2013 and further to the requirements of the Education & 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 The Cardinal Hume Academies Trust during the year 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 The Cardinal Hume Academies Trust and the ESFA 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 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 Cardinal Hume Academies Trust and the ESFA, 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 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 year 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.

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.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

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

- adherence to tendering policies.

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

12 December 2018

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	11,039	-	1,823,231	1,834,270	(722,262)
Charitable activities	3	-	19,294,427	-	19,294,427	19,353,690
Teaching schools	30	-	427,082	-	427,082	526,841
Other trading activities	4	195,317	1,222,828	-	1,418,145	799,726
Investments	5	8,175	-	-	8,175	9,791
TOTAL INCOME		214,531	20,844,337	1,823,231	22,882,089	19,967,786
EXPENDITURE ON:						
Raising funds		64,108	259,446	-	323,554	378,745
Charitable activities		3,662	21,251,400	224,874	21,479,936	20,747,700
TOTAL EXPENDITURE	8	67,770	21,510,846	224,874	21,803,490	21,126,445
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	21	146,761	(566,509)	1,598,357	1,178,609	(1,158,659)
		-	(552,339)	552,339	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		146,761	(1,118,848)	2,150,696	1,178,609	(1,158,659)
Actuarial gains on defined benefit pension schemes	26	-	922,000	-	922,000	1,604,000
NET MOVEMENT IN FUNDS		146,761	(196,848)	2,150,696	2,100,609	445,341
RECONCILIATION OF FUNDS:						
Total funds brought forward		784,609	(2,031,806)	3,437,350	2,180,053	1,744,712
TOTAL FUNDS CARRIED FORWARD		931,370	(2,228,754)	5,588,046	4,290,662	2,190,053

The notes on pages 22 to 48 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 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	17		4,380,216		3,190,156
CURRENT ASSETS					
Debtors	18	417,948		366,124	
Cash at bank and in hand		4,510,200		4,024,624	
		<u>4,928,148</u>		<u>4,390,748</u>	
CREDITORS: amounts falling due within one year	19	<u>(1,400,427)</u>		<u>(1,534,625)</u>	
NET CURRENT ASSETS			<u>3,527,721</u>		<u>2,856,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,917,937</u>		<u>6,046,279</u>
CREDITORS: amounts falling due after more than one year	20		<u>(210,275)</u>		<u>(75,226)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>7,707,662</u>		<u>5,971,053</u>
Defined benefit pension scheme liability	28		<u>(3,417,000)</u>		<u>(3,781,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>4,290,662</u>		<u>2,190,053</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	1,188,246		1,749,094	
Restricted fixed asset funds	21	5,588,046		3,437,350	
		<u>6,776,292</u>		<u>5,186,444</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(3,417,000)</u>		<u>(3,781,000)</u>	
Total restricted income funds			<u>3,359,292</u>		<u>1,405,444</u>
Unrestricted income funds	21		<u>931,370</u>		<u>784,609</u>
TOTAL FUNDS			<u>4,290,662</u>		<u>2,190,053</u>

The financial statements on pages 19 to 48 were approved by the Directors, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:


John Meadows
Chair of Trustees

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	23	(75,751)	630,948
Cash flows from investing activities:			
Dividends, interest and rents from investments		(8,175)	(9,791)
Purchase of tangible fixed assets		(1,424,934)	(1,170,287)
Capital grants from DfE Group		1,823,231	608,529
Capital assets transferred on conversion		-	41,690
Net cash provided by/(used in) investing activities		390,122	(529,859)
Cash flows from financing activities:			
Repayments of borrowings		(25,861)	(15,924)
Cash inflows from conversion to academy status		-	190,020
Salix loans advanced		197,066	-
Net cash provided by financing activities		171,205	174,096
Change in cash and cash equivalents in the year		485,576	275,185
Cash and cash equivalents brought forward		4,024,624	3,749,439
Cash and cash equivalents carried forward	24	4,510,200	4,024,624

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The Cardinal Hume Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust Company which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Improvements to property held under licence	-	Expected lives of individual projects
Furniture and fixtures	-	5 years
Plant and equipment	-	10 years

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

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Financial instruments

The Academy Trust Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust Company 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 18. Prepayments are not financial instruments. Amounts due to the Academy Trust Company's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust Company's wholly owned subsidiary are held at face value less any impairment.

1.10 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.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 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.

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 Agency arrangements

The Academy Trust acts as agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balance undistributed is included in creditors at the year end, due to the ESFA.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	11,039	-	-	11,039	78,500
Net liabilities inherited on conversion to academy	-	-	-	-	(1,409,291)
Capital grants	-	-	1,823,231	1,823,231	608,529
	<u>11,039</u>	<u>-</u>	<u>1,823,231</u>	<u>1,834,270</u>	<u>(722,262)</u>
Total 2017	<u>194,652</u>	<u>(1,567,133)</u>	<u>650,219</u>	<u>(722,262)</u>	

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

The Cardinal Hume Academies Trust

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
GAG	-	18,101,829	18,101,829	18,291,098
Other ESFA grants	-	847,486	847,486	840,439
	-	18,949,285	18,949,285	19,131,537
Other government grants				
LA and other government grants	-	345,142	345,142	222,153
	-	345,142	345,142	222,153
	-	19,294,427	19,294,427	19,353,690
Total 2017	-	19,353,690	19,353,690	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trip and other fundraising income	-	255,282	255,282	269,933
Lettings income	195,317	-	195,317	216,412
Catering income	-	348,996	348,996	313,381
Other income	-	618,550	618,550	-
	195,317	1,222,828	1,418,145	799,726
Total 2017	216,412	583,314	799,726	

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	8,175	-	8,175	9,791
	<u>8,175</u>	<u>-</u>	<u>8,175</u>	<u>9,791</u>
<i>Total 2017</i>	<u>9,791</u>	<u>-</u>	<u>9,791</u>	

6. DIRECT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Educational non-ICT expenditure	482,203	482,203	464,741
Educational ICT expenditure	188,566	188,566	168,897
Staff development	200,355	200,355	229,846
Educational supplies and services	875	875	1,541
Examination fees	379,857	379,857	331,584
Educational consultancy	106,503	106,503	122,298
Recruitment and support	58,241	58,241	54,698
Supply teaching costs	621,199	621,199	971,666
Staff restructuring costs	-	-	7,647
Wages and salaries	11,423,638	11,423,638	10,668,848
National insurance	1,143,848	1,143,848	1,094,372
Pension cost	1,587,043	1,587,043	1,396,149
	<u>16,192,328</u>	<u>16,192,328</u>	<u>15,512,287</u>
<i>Total 2017</i>	<u>15,512,287</u>	<u>15,512,287</u>	

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	98,000	98,000	104,000
Non-educational ICT expenditure	63,349	63,349	81,420
Staff development	25,686	25,686	51,072
Other support costs	646,424	646,424	514,184
Building maintenance	322,486	322,486	361,083
Grounds maintenance	22,686	22,686	19,317
Cleaning	342,935	342,935	372,959
Energy costs	272,052	272,052	263,325
Insurance	88,760	88,760	87,657
Catering	626,880	626,880	568,398
Other occupation costs	204,081	204,081	111,554
Support staff supply costs	80,389	80,389	71,908
Governance costs	91,834	91,834	152,935
Wages and salaries	1,386,736	1,386,736	1,415,025
National insurance	178,069	178,069	148,497
Pension cost	714,487	714,487	601,912
Depreciation	224,874	224,874	310,167
	<u>5,287,608</u>	<u>5,287,608</u>	<u>5,235,413</u>
 Total 2017	 <u>5,235,413</u>	 <u>5,235,413</u>	

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	69,210	-	264,344	323,554	378,745
Support costs	-	-	-	-	-
Activities:					
Direct costs	14,776,728	-	1,416,600	16,192,328	15,512,287
Support costs	2,359,681	1,306,049	1,621,878	5,287,608	5,235,413
	<u>17,194,619</u>	<u>1,306,049</u>	<u>3,302,822</u>	<u>21,803,490</u>	<u>21,126,445</u>
 Total 2017	 <u>16,444,273</u>	 <u>1,151,888</u>	 <u>3,530,284</u>	 <u>21,126,445</u>	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Activities	16,192,328	5,287,808	21,479,836	20,747,700
Total 2017	15,512,287	5,235,413	20,747,700	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	224,873	310,167
Operating lease rentals	39,950	28,446

11. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the Academy Trust Company's auditor in respect of:		
The auditing of accounts of the Academy Trust Company	20,500	20,500
All other non-audit services not included above	2,980	2,750

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12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	12,869,684	12,152,123
Social security costs	1,321,917	1,242,869
Operating costs of defined benefit pension schemes	2,301,530	1,998,061
	<u>16,493,031</u>	<u>15,393,053</u>
Supply teacher costs	621,199	971,668
Compensation payment	-	7,646
Support staff supply costs	80,389	71,908
	<u>17,194,619</u>	<u>16,444,273</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	200	199
Administration and support	212	217
Management	21	23
	<u>433</u>	<u>439</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	18	12
In the band £70,001 - £80,000	4	6
In the band £80,001 - £90,000	6	2
In the band £100,001 - £110,000	2	2
In the band £190,001 - £200,000	1	1

The above employees participated in the Teachers' Pension Scheme (TPS) and employer contributions amounting to £337,987 (2017: £284,444) were paid during the period.

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees 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 academy trust was £749,726 (2017: £719,632).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. CENTRAL SERVICES

No central services were provided by the Academy Trust Company to its academies during the year and no central charges arose.

14. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust Company. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2018 £'000	2017 £'000
Mr M Tissot - remuneration	Remuneration	195-200	190-195
	Pension contributions paid	30-35	25-30
Mr J Meadows	Remuneration	0-5	0-5

During the year ended 31 August 2018, expenses totalling £828 (2017 - £842) were reimbursed to 2 Directors (2017 - 4).

15. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £23,500,000 on any one claim and the cost for the year ended 31 August 2018 was £1,302 (2017 - £1,302).

16. PENSION FINANCE COST

	2018 £	2017 £
Interest income on pension scheme assets	134,000	90,000
Interest on pension scheme liabilities	(230,000)	(194,000)
	<u>(96,000)</u>	<u>(104,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. TANGIBLE FIXED ASSETS

	Improvement to property held under licence £	Furniture and fixtures £	Plant and equipment £	Assets under construction £	Total £
Cost					
At 1 September 2017	2,611,725	86,232	1,054,036	365,615	4,117,608
Additions	89,382	22,719	422,743	890,090	1,424,934
Transfer between classes	1,176,274	-	-	(1,176,274)	-
At 31 August 2018	3,876,381	108,951	1,476,779	80,431	5,542,542
Depreciation					
At 1 September 2017	98,696	45,620	783,236	-	927,452
Charge for the year	77,440	21,649	125,885	-	224,874
At 31 August 2018	176,036	67,169	909,121	-	1,152,326
Net book value					
At 31 August 2018	3,700,345	41,782	567,658	80,431	4,390,216
At 31 August 2017	2,513,129	40,612	270,800	365,615	3,190,156

The Academy Trust company occupies land (including buildings) which are owned by its Trustees who are the Diocese of Westminster. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Academy Trust company will not be recognised on the balance sheet of the company.

18. DEBTORS

	2018 £	2017 £
Trade debtors	60,889	46,862
Other debtors	42,597	34,688
Prepayments and accrued income	178,216	124,642
Tax recoverable	136,246	159,932
	417,948	366,124

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19. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	52,081	15,924
Trade creditors	574,980	710,365
Other taxation and social security	326,720	305,923
Other creditors	141,261	187,283
Accruals and deferred income	305,385	315,130
	<u>1,400,427</u>	<u>1,534,625</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	77,267	132,587
Resources deferred during the year	193,670	77,267
Amounts released from previous years	(77,267)	(132,587)
Deferred income at 31 August 2018	<u>193,670</u>	<u>77,267</u>

At the balance sheet date the academy trust was holding onto funds received in advance for the year 2018/19.

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

	2018 £	2017 £
Other loans	<u>210,275</u>	<u>75,226</u>
Included within the above are amounts falling due as follows:		
	2018 £	2017 £
Between one and two years		
Other loans	<u>59,638</u>	<u>10,120</u>
Between two and five years		
Other loans	<u>150,637</u>	<u>65,107</u>

The loans are due to Safix Finance Limited and are unsecured and interest free.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	784,609	214,531	(67,770)	-	-	931,370
Restricted funds						
Restricted Funds - all funds	1,749,094	20,944,337	(20,952,848)	(552,339)	-	1,188,246
Pension reserve	(3,781,000)	-	(558,000)	-	922,000	(3,417,000)
	<u>(2,031,906)</u>	<u>20,944,337</u>	<u>(21,510,848)</u>	<u>(552,339)</u>	<u>922,000</u>	<u>(2,228,754)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,437,350	1,823,231	(224,874)	552,339	-	5,588,046
Total restricted funds	<u>1,405,444</u>	<u>22,767,568</u>	<u>(21,735,720)</u>	<u>-</u>	<u>922,000</u>	<u>3,359,292</u>
Total of funds	<u>2,190,053</u>	<u>22,982,099</u>	<u>(21,803,490)</u>	<u>-</u>	<u>922,000</u>	<u>4,290,662</u>

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 by 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 2018.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
St George's Catholic School	1,853,290	2,218,157
St Thomas More Catholic School	210,926	152,642
Bishop Douglass Catholic School	(44,800)	162,904
Total before fixed asset fund and pension reserve	2,119,616	2,533,703
Restricted fixed asset fund	5,588,046	3,437,350
Pension reserve	(3,417,000)	(3,781,000)
Total	4,290,662	2,190,053

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

Name of academy	Amount of deficit £
Bishop Douglass Catholic School	(44,800)

The academy contributed £181,426 of revenue funds to capital works during the period.

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

The academy forecasts that the deficit will be recovered in the 2018/19 period.

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 depreciation £	Total 2018 £	Total 2017 £
St George's Catholic School	6,023,225	674,681	383,536	949,980	8,031,432	7,799,692
St Thomas More Catholic School	5,952,899	1,031,512	683,281	1,125,188	8,792,880	8,013,833
Bishop Douglass School	3,357,257	653,488	400,419	841,583	5,252,747	5,002,751
Intercompany adjustments	(498,443)	-	-	-	(498,443)	-
	14,834,938	2,359,681	1,467,236	2,916,761	21,578,616	20,816,276

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds - all funds	445,955	420,854	(82,200)	-	-	784,609
Restricted funds						
Restricted Funds - all funds	2,155,863	20,537,713	(20,267,078)	(677,404)	-	1,749,094
Pension reserve	(3,277,000)	(1,641,000)	(467,000)	-	1,604,000	(3,781,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	2,419,894	650,219	(310,167)	677,404	-	3,437,350
Total of funds	1,744,712	19,967,786	(21,126,445)	-	1,604,000	2,190,053

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	445,955	635,385	(149,970)	-	-	931,370
Restricted funds						
Restricted Funds - all funds	2,155,863	41,482,050	(41,219,924)	(1,229,743)	-	1,188,246
Pension reserve	(3,277,000)	(1,641,000)	(1,026,000)	-	2,526,000	(3,417,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	2,419,894	2,473,450	(535,041)	1,229,743	-	5,588,046
	1,298,757	42,314,500	(42,779,965)	-	2,526,000	3,359,292
Total of funds	1,744,712	42,949,885	(42,929,935)	-	2,526,000	4,290,662

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,390,216	4,390,216
Current assets	931,370	2,798,948	1,197,830	4,928,148
Creditors due within one year	-	(1,400,427)	-	(1,400,427)
Creditors due in more than one year	-	(210,275)	-	(210,275)
Provisions for liabilities and charges	-	(3,417,000)	-	(3,417,000)
	<u>931,370</u>	<u>(2,228,754)</u>	<u>5,588,046</u>	<u>4,290,662</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,190,156	3,190,156
Current assets	784,609	3,358,946	247,194	4,390,748
Creditors due within one year	-	(1,534,626)	-	(1,534,625)
Creditors due in more than one year	-	(75,226)	-	(75,226)
Provisions for liabilities and charges	-	(3,781,000)	-	(3,781,000)
	<u>784,609</u>	<u>(2,031,906)</u>	<u>3,437,350</u>	<u>2,190,053</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,178,609	(1,158,659)
Adjustment for:		
Depreciation charges	224,874	310,167
Dividends, interest and rents from investments	8,175	9,791
Increase in debtors	(51,824)	(25,489)
(Decrease)/increase in creditors	(170,354)	227,376
Capital grants from DfE and other capital income	(1,823,231)	(608,629)
Defined benefit pension scheme cost less contributions payable	481,000	362,000
Defined benefit pension scheme finance cost	98,000	104,000
Net deficit on assets and liabilities from local authority on conversion	-	1,409,291
Defined benefit pension scheme administration charges	1,000	1,000
Net cash (used in)/provided by operating activities	<u>(75,751)</u>	<u>630,948</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	4,510,200	4,024,624
Total	<u>4,510,200</u>	<u>4,024,624</u>

25. CAPITAL COMMITMENTS

The academy has committed £1,750,000 on a combined project with Westminster City Council, the total project funding of which is £7.5m, to expand the capacity of St George's Catholic School by one form of entry in order to provide an additional 150 places in the school. The DfE has, in addition, approved a Condition Improvement Fund grant of £1.83m to the academy, of which £1,022,650 had been received at 31 August 2018.

Additional capital commitments amounted to £295,925 at the year end (2017: £145,000).

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, London Borough of Haringey Pension Fund and London Borough of Barnet Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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26. PENSION COMMITMENTS (continued)

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 5.08%.

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

The employer's pension costs paid to TPS in the period amounted to £1,266,415 (2017 - £1,323,391).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £667,000 (2017 - £577,000), of which employer's contributions totalled £517,000 (2017 - £453,000) and employees' contributions totalled £150,000 (2017 - £124,000). The agreed contribution rates for future years are between 19% and 25% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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26. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	24.5	24.4
Females	26.1	26.0
Retiring in 20 years		
Males	26.8	26.7
Females	28.5	28.3

London Borough of Haringey Pension Fund

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

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.00 %	3.00 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.8	21.8
Females	24.1	24.1
Retiring in 20 years		
Males	23.8	23.8
Females	26.0	26.0

London Borough of Barnet Pension Fund

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

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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26. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.3	24.3
Retiring in 20 years		
Males	23.9	23.9
Females	26.6	26.6

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.1%	435,000	386,000
CPI rate -0.1%	394,000	353,000

The Academy Trust Company's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,045,000	3,539,000
Bonds	1,155,000	947,000
Property	393,000	369,000
Cash and other liquid assets	181,000	83,000
Total market value of assets	<u>5,774,000</u>	<u>4,938,000</u>

The actual return on scheme assets was £129,000 (2017 - £340,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(978,000)	(815,000)
Interest income	134,000	90,000
Interest cost	(230,000)	(194,000)
Admin expenses	(1,000)	(1,000)
Total	<u>(1,075,000)</u>	<u>(920,000)</u>
Actual return on scheme assets	<u>129,000</u>	<u>340,000</u>

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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:

	2018 £	2017 £
Opening defined benefit obligation	8,719,000	7,363,000
Upon conversion	-	1,641,000
Current service cost	978,000	815,000
Interest cost	230,000	194,000
Employee contributions	150,000	124,000
Actuarial gains	(793,000)	(1,344,000)
Benefits paid	(93,000)	(43,000)
Other actuarial (gains)/losses	-	(31,000)
Closing defined benefit obligation	<u>9,191,000</u>	<u>8,719,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	4,938,000	4,086,000
Interest income	134,000	90,000
Actuarial gains	129,000	260,000
Employer contributions	517,000	453,000
Employee contributions	150,000	124,000
Benefits paid	(93,000)	(43,000)
Other actuarial gains/losses	-	(31,000)
Administration expenses	(1,000)	(1,000)
Closing fair value of scheme assets	<u>5,774,000</u>	<u>4,938,000</u>

27. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	32,907	23,585
Between 1 and 5 years	94,604	39,156
Total	<u>127,511</u>	<u>62,741</u>

THE CARDINAL HUME ACADEMIES TRUST
(A Company Limited by Guarantee)

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28. MEMBERS' LIABILITY

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy Trust company occupies land (including buildings) which are owned by its Trustees who are the Diocese of Westminster. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Academy Trust company will not be recognised on the balance sheet of the company.

Mr M Tissot, the Chief Executive, is Executive Headteacher of Salvatorian College, an academy trust based in Harrow Weald, Middlesex. During the period the trust provided staff at cost to the value of £618,550 (2017: £nil). At the year end £41,140 was owing to the trust by Salvatorian College.

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30. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
School Training Grants	349,501		470,857	
OTHER INCOME				
Teacher Training Income	49,822		34,916	
PGCE Training Income	27,760		21,067	
TOTAL OTHER INCOME	77,582		55,983	
TOTAL INCOME		427,083		526,840
EXPENDITURE				
DIRECT EXPENDITURE				
Direct Staff Costs	405,716		538,465	
Training Fees and Other Costs	101,700		150,406	
TOTAL DIRECT EXPENDITURE	507,416		688,871	
TOTAL EXPENDITURE		507,416		688,871
DEFICIT FROM ALL SOURCES		(80,333)		(162,031)
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		(162,031)		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		(242,364)		(162,031)

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31. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £87,388 (2017 - £67,400) and disbursed £88,221 (2017 - £48,489) from the fund. An amount of £105,680 (2017 - £88,912) is included in other creditors relating to undistributed funds.