

Registered number: 08307881

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Reverend D J Roberts
Bishop M Davies
Mr D J Cunningham
Mrs C Lawrence

Trustees

Mr A S Billings, Principal of All Hallows Catholic College
Mr J Daley (resigned 10 December 2016)
Mrs J M Feely, Chair of Governors at All Hallows Catholic College
Mrs A Heaton, Staff Governor (resigned 18 October 2017)
Reverend D J Roberts, Director of Education for Diocese of Shrewsbury (resigned 18 October 2017)
Mr D J Cunningham
Mrs N Armstrong-Boyle, Head of St Paul's Catholic Primary School
Mrs A M Connor, Chair of St Alban's Catholic Primary School (resigned 18 October 2017)
Mrs T M Cooke, Head of St Alban's Catholic Primary School
Mr S W Gachuhi, Foundation Governor
Mrs S Humphries, Head of St Mary's Catholic Primary School
Mrs C M Ingram, Chair of Saint Mary's Catholic Primary School
Mr N R Johnson, Foundation Governor (resigned 30 November 2016)
Mr J Kalnins, Chair of St Paul's Catholic Primary School
Mrs H E Knight, Foundation Governor and Chair of the Trust
Mr B Hennessey (appointed 18 October 2017)

Company registered number

08307881

Company name

The Holy Family of Nazareth Catholic Academy Trust

Principal and registered office

Brooklands Avenue, Macclesfield, Cheshire, SK11 8LB

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**REFERENCE AND ADMINISTRATIVE DETAILS
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Advisers (continued)

Company secretary

Mrs D Milne

Accounting officer

Mr A S Billings

Senior management team

Mr A S Billings
Mrs A M Connor
Mrs N Armstrong-Boyle
Mrs T M Cooke
Mrs S Humphries
Mrs J Leigh

Independent auditors

Moore Stephens, 1 Lakeside, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, ST1 5RY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates one secondary and three primary academies in Cheshire East. Its academies have a pupil capacity of 1,949 and a roll of 1,829 in the school census of Autumn 2016.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the academy trust.

The Trustees of The Holy Family of Nazareth Catholic Academy Trust are also the directors of the charitable company for the purpose of company law.

The Schools within the Trust are as follows:

All Hallows Catholic College (AHCC), Macclesfield
St Alban's Catholic Primary School, Macclesfield
Saint Mary's Catholic Primary School, Congleton
St Paul's Catholic Primary School, Poynton

Details of the Trustees who served during the year are included in the reference and administrative details on page 1.

The Trust has the following organisational structure:

- Level 1: Board of the Multi Academy Trust (Trustees)
- Level 2: Local Governing Bodies (LGBs)
- Level 3: Committees of the LGBs
- Level 4: The Accounting Officer (Principal)

The Charitable Company's Memorandum and Articles of Association (in conjunction with The Schemes of Delegation) are the primary governing documents of the Multi Academy Trust.

The Board of Trustees are responsible for and oversee the management and administration of the Company and Academies run by the Company. The Board of Trustees is the ultimate decision making authority and has overall responsibility for setting strategy and setting the Company's policy. The Board of Trustees is currently working on a revised governance structure of the Academy Trust, which is expected to include new committees of the Academy Trust and, in time, fewer committees of the LGBs. This should lead to clearer lines of governance, consistency across the Trust and greater efficiency.

In order to discharge its responsibilities and to ensure the good governance of each Academy within the Academy Trust, the Board of Trustees currently delegates functions other than those defined as 'reserved functions' to each LGB.

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TRUSTEES' REPORT (continued)
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Governors are responsible for setting policies to be used within the Trust. The LGBs of each of the academies within the Trust have a number of committees as follows:

All Hallows	St Alban's	Saint Mary's	St Paul's
Teaching & Learning	Teaching, Learning and Curriculum	Pupil, Personnel and Curriculum Committee	Curriculum and Standards
Human Resources	Human Resources	Faith & British Values Committee	Personnel and Community
Finance and Resources	Finance and Resources	Finance, Premises & Strategy Committee	Finance and Buildings

Whilst there are currently differences in the names of the committees across schools, there is broad commonality in the topics they address. Each committee has Terms of Reference which help to aid the policy making process and outline the specific responsibilities of each committee. Work continues to align all of the policies of the Academy Trust and to ensure consistency between the senior school - which was the founding school in the Trust - and the primary schools, which converted more recently.

The Local Governing Bodies (LGSBs) have devolved responsibility for the day to day management of the Academies to the Principal, in the case of All Hallows Catholic College, or the Heads of the primary schools, supported by their Senior Leadership Teams (SLT).

The Principal / the Heads have a key leadership role overseeing educational, pastoral and administrative functions in consultation with senior staff. The day to day administration is undertaken within the policies and procedures laid down by the LGBs and the SLTs report back to the LGBs on performance. The Heads and SLTs are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to Faculty and Departmental Leaders or other key personnel. In turn, the LGBs reports to the Academy Trust on the exercise of its responsibilities.

The Principal of All Hallows Catholic College is the Accounting Officer.

The principal activity of the Academy Trust is the provision of education.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

All members of the Academy Trust are appointed and/or elected in accordance with the Articles of Association of the Holy Family of Nazareth Catholic Academy Trust. In summary:-

- Up to 1 Trustee appointed by the Members save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Executive Principal and the Principals).
- A minimum of 5 Foundation Trustees appointed by the Diocesan Bishop provided that the number of Foundation Trustees and Academy Trustees together shall always be 2 more than the total number of other Trustees (Excluding Foundation Trustees and Academy Trustees).

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- The chairman of each Local Governing Body shall be an Academy Trustee for as long as he remains in office and appointed by the Trustees of the Company but they shall appoint as the chairman of a Local Governing Body someone other than the Executive Principal.
- The Principal of the Academy for as long as he remains in office.
- The Executive Principal for as long as he remains in office.
- A minimum of 2 Parent Trustees
- Staff Trustees - 3 co-opted Trustees provided that if any such Trustees are appointed the number of Foundation Trustees permitted shall increase proportionately to ensure that a majority of Trustees are Foundation Trustees.
- The Secretary of State may appoint Additional Trustees as he thinks fit.

The term of office for all Trustees (with the exception of the Principal) is 4 years. Any Trustee may be re-appointed or re-elected.

During the year under review the Multi Academy Trust held 3 meetings. The Governing Bodies and their Committees held a total of 50 meetings as follows:

	All Hallows	St. Alban's	Saint Mary's	St Paul's
Local Governing Body Meetings	3	4	3	3
Teaching & Learning / Pupil, Personnel & Curriculum / Curriculum Committee	2	3	3	3
Human Resources / Personnel and Community Committee	2	5	N/A	3
Faith and British Values Committee	N/A	N/A	3	N/A
Finance and Resources / Finance, Premises and Strategy / Finance and Buildings Committee	4	3	3	3

d. Policies and procedures adopted for the induction and training of Trustees

All new Trustees and governors will be given a tour of the site of their respective academy and will be given the chance to meet with staff and students. Where available, they will be provided with access to the Governors' section of the academy's website and have access to policies, procedures and documents on that site; they are also provided with copies of minutes of the previous Governing Body meetings, Plans, accounts and budgets as appropriate.

The governors of All Hallows Catholic College have a designated Training Governor (TLG) who has responsibility for ensuring that all new governors are adequately inducted and trained in order to fulfil their duties. Governors complete an annual self-audit; from this the TLG identifies training needs and makes recommendations for training to be undertaken.

Upon appointment, Governors are invited to all committee meetings to get an overview of the work of the Governing Body and are subsequently assigned to one of its committees and 'link' with a specific curriculum department or area of focus. They undertake a number of visits to the Academy to work within their appointed function: a valuable training exercise, extending their understanding and ability to make key informed decisions at committee or full governing body level.

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The academies within the Academy Trust draw on the services of One Education for governance support and they also provide a clerk to the Governors with knowledge and experience to guide and assist Governors to meet their statutory obligations. In addition, this service consists of a range of tools (training courses, governor bulletins, discussion forums and governor briefings) for both newly appointed and longer serving Governors.

e. Pay policy for key management personnel

Trustees receive no remuneration for their role as Trustees of the Academy Trust.

Trustees who are also employees are remunerated as follows:

- The Principal / Headteachers are evaluated on their performance in the year based on objectives set at the start of the year and outcomes delivered. The evaluation is carried out by the Chair of their local governing body accompanied by at least one other governor.
- Other trustees, who are teachers within the academies are remunerated in line with other teachers in the academy using the same performance measurement objectives and National Terms and Conditions for Teachers' Pay.
- Neither group receives any remuneration specifically for their role as a Trustee.

In addition, the Deputy Principal and the Director of Finance and Business of All Hallows Catholic College, whilst not Trustees, are deemed to have sufficient influence / control to be key management personnel. Their remuneration is calculated as for 'other teachers' above, for the former, and according to company policy for Associate Staff for the latter. Both are based on annual appraisals approved by the Principal.

f. Organisational structure

The Governing Bodies are collectively responsible for the overall direction of the individual Academies and their strategic management. This involves determining the guiding principles within which the Academy operates, setting general policy, adopting a College / School Improvement Plan and Budget, monitoring the Academy activities and making major decisions about capital expenditure and senior staff appointments. The Governing Body is also responsible for ensuring that the Academy meets all its statutory obligations and through the Principal / Head and Business Manager that it complies with financial regulations. The Principal of AHCC is the Accounting Officer of the Trust.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Principal and the Senior Management of each Academy.

The Senior Leadership Team (SLT) of each academy manages the academies at an executive level implementing the policies laid down by Governors and reporting back to them.

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For the year under review, responsibilities were distributed as follows:-

All Hallows Catholic College

Tony Billings - Principal
Ann-Marie Connor - Head of Training and School to School Support and Deputy Principal
Peter Nickson - Head of College and Deputy Principal
Martin Blades - Head of Inclusion and Assistant Principal
Michelle Garvey - Head of Sixth Form and Assistant Principal
Gus Diamond - Head of KS3 & 4 and Assistant Principal
Sarah Marshall - Head of Teacher Learning and Assistant Principal
Sarah Williams - Raising Standards Leader and Assistant Principal
Janet Leigh - Director of Finance and Business

This Senior Leadership Team meets weekly to discuss the strategic and operational matters of the College.

St Alban's Catholic Primary School

Teresa Cooke - Head
Judith Ceuppens - Assistant Head SENco EYFS, KS1, High Achievers Lead
Charlotte Clowes - Assistant Head KS2, Reading Lead, Pupil Premium Lead, E-Safety Lead (resigned 31 December 2016)
Julie Agar - School Business Manager

St. Mary's Catholic Primary School

Sacha Humphries - Head
Linda Thomas - Deputy Head
Val Bridge - Business Manager

St. Paul's Catholic Primary School

Nora Armstrong-Boyle - Head
Rachel Price-Uden - Deputy Headteacher
Catherine Smith - Deputy Headteacher
Debbie Wood - School Business Manager
Sue Poirrette - SENCO

g. Connected organisations, including related party relationships

The first relationship of the Academy Trust is with the Catholic Diocese of Shrewsbury. The Academy Trust has been established to include schools in the All Hallows Learning Community (AHLC) which choose to become academies. Currently there are four AHLC schools which have converted to academies within HFN: All Hallows Catholic College, St Alban's (Macclesfield), St Mary's (Congleton) and St Paul's (Poynton).

The remaining schools in AHLC are St Benedict's (Handforth), Christ the King* (Macclesfield, Moss Rose), St Gregory's (Bollington) and St John the Evangelist* (Macclesfield). [*Special arrangements for conversion will need to be considered at inter diocesan level for the two schools which connected to the Anglican Church tradition, should they wish to join HFN.]

Responsibility for the strategic direction of the AHLC lies with the AHLC Forum which includes Heads and Chairs of Governors from each of the schools. The AHLC Headteachers' group meets on a regular basis to draw together and monitor the learning community development plan.

All Hallows Catholic College has a number of connected organisations and relationships which mean the College is working with an extended range of schools on school to school support and staff training.

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All Hallows Catholic College was designated by the National College for Teaching and Learning as a National Support School in July 2013, and with the Principal in the role of a National Leader of Education, the College became a Teaching School in March 2016 and established the Romero Teaching School Alliance. As such the college provides support and guidance to other educational establishments, training for teachers, support staff and leaders. Most recently the College is supporting St Paul's Catholic High School in Wythenshawe, providing executive leadership and a raft of measures to improve teaching and learning and outcomes for students.

St Alban's Catholic Primary School is a strategic partner in the Romero Teaching School Alliance and the Aspirer Teaching School Alliance and also has Leading Partnership status with Manchester Metropolitan University.

St Paul's Catholic Primary School is a partner with Manchester Metropolitan University for Initial Teacher Training and a partner in the Romero Teaching School Alliance. It also works in partnership with the PDA (Poynton, Disley, and Adlington) partnership of schools.

h. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

i. Risk management

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

They are satisfied that these systems are broadly consistent with guidelines issued by the DfE but recognise that some weaknesses do exist. The Academy Trust has begun the process of pulling together individual risk management processes at each school to ensure that a standardised framework, consistently applied, is developed across the Academy Trust so the Trustees have full oversight of risk management of the organisation and can take appropriate action.

The Academy Trust has a revised set of financial procedures, which are being updated to ensure consistency across the Academy Trust.

Strategic report

Objectives and Activities

a. Objects and aims

All Hallows Catholic College became an academy within a Multi-academy trust framework in order to strengthen the effectiveness of the Catholic Church in education and to respond to the DfE invitation to support other schools in academy conversion. The Multi-academy trust currently has four member schools. All Hallows Catholic College will also work with the Diocese and consider sponsoring other Catholic schools to become academies if the need arises.

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b. Objectives, strategies and activities

The principal object and activity of the Charitable Company is the operation of diocesan schools to advance, for the public benefit, Christian education for students within the Catholic tradition. This includes students of all abilities between the ages of 4-19 with an emphasis on the Christian formation and education of the whole child. All Hallows uses its original specialisms of Business and Enterprise and Languages to further these aims through a clear ethical stance based in the social teaching of the Church.

Equal opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to virtually all of the main areas of the academies within the Trust. There is designated disabled parking at all sites. All sites had access audits in the previous financial year and implemented any actions as required.

Achievements and Performance

The Academy Trust, in its fifth academic year of operation, has four schools: All Hallows Catholic College, which became an academy on 1 January 2013, and three primary schools (St Alban's Catholic Primary School, Saint Mary's Catholic Primary School and St Paul's Catholic Primary School), all of which converted to academy status in 2014/15.

All Hallows Catholic College

All Hallows has a PAN of 210 with 1180 currently on roll. It has increased its intake as families have realised that access to education in an Ofsted outstanding Catholic academy is available for all, that is to Catholic, other Christians and the wider community. This growth has been achieved despite local authority withdrawal of transport subsidies. Many more applications are open to the local geographical community and the College continues to welcome students from some outlying feeder schools due to an improved transport system.

Virtually all admissions are based on first choice applications. The admission number for the college is 210 students. There are 1180 students in the college, with year groups being over (+) or below (-) capacity as follows: Y7 (-15), Y8 (-4), Y9 (-23), Y10 (+2), Y11 (-19). The number in the Sixth Form (Y12 & 13) is 199. Admissions criteria are the same as for the predecessor voluntary aided school and the academy participates in the coordinated admission arrangements operated by the local authority.

All Hallows Catholic College performance summary for 2016/17 is as follows: Progress 8, +0.07 (above national average) Attainment 8, 50.26 (Above LA and national) Grade 5+ (Strong) English and Math 46% Grade 4+ (Standard) English and Math 69% (Above national). Students staying in education 95% (above national). At A Level a 100% pass rate was achieved with 53.7% of passes graded A*-B. (of which 43.3% were A*-A) The College has outstanding rates of progression to university including the traditional 'Russell Group' universities.

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St Alban's Catholic Primary School

St Alban's Catholic Primary School has a PAN of 60 (maximum NOR 420) with 344 currently on roll. Whilst the school is currently below maximum capacity, numbers are steadily increasing.

In July 2017, EYFS Good Level of Development was 78% and Year 1 Phonics attainment was 76%. KS1 Reading attainment was 83% achieving the expected standard and 44% achieving the high standard. KS1 Writing attainment was 65% achieving the expected standard and 17% achieving the high standard. KS1 Maths attainment was 77% achieving the expected standard and 29% achieving the high standard. KS2 Reading attainment was 76% achieving the expected standard and 39% achieving the high standard. KS2 Writing attainment was 67% achieving the expected standard and 15% achieving the high standard. KS2 Maths attainment was 79% achieving the expected standard and 24% achieving the high standard. KS2 Grammar, Punctuation and Spelling attainment was 82% achieving the expected standard and 45% achieving the high standard. Reading, Writing and Maths combined attainment at KS2 was 64% achieving the expected standard and 6% achieving the high standard.

St Alban's was graded "Outstanding" in every area by Ofsted in November 2014 and maintained "outstanding" in our Section 48 monitoring visit in March 2015.

Saint Mary's Catholic Primary School

Saint Mary's Catholic Primary school has a PAN of 210 with 199 pupils currently on roll. Whilst the school is currently below "PAN", 30 children have joined the Reception class during the last three consecutive years which suggests numbers on roll will increase over time.

In July 2017, in terms of attainment, 80% of children achieved the "Good Level of Development" compared to a national average of 71%. In Key Stage 1, the percentage of pupils achieving the expected standard in reading (86%), writing (82%) and maths (86%) is above average. The percentage of pupils achieving the greater depth standard in reading (25%), writing (21%) and maths (18%) is in line with national averages. Attainment in science is also in line with national averages (82%). In KS2, the percentage of children achieving the expected standard in reading (89%), writing (86%) and maths (89%) and those achieving a high scaled score in reading (43%), writing (36%) and maths (32%) were well above average. The percentage of children achieving the expected standard in EGPS (93%) and those achieving a high scaled score (50%) were both well above average. The percentage of children achieving the expected standard in science is above average (89%).

The school's percentile ranking in terms of pupil progress in 2017 was 31 in reading, 35 in writing and 33 in maths. The school was graded as "Good" by Ofsted in March 2014.

St Paul's Catholic Primary School

St Paul's Catholic Primary School has a maximum NOR of 119 (PAN 17) with 118 on roll 2016/17. The school is currently below maximum capacity with 112 on roll due to a cohort of 11 pupils starting in reception in September 2017. The school was oversubscribed in September 2013 and the Governors agreed to go over PAN and accept 20 pupils. The school was oversubscribed again in September 2015, resulting in an appeals situation which meant that 21 pupils started in September in Reception. Therefore, numbers of pupils starting reception class each September is not stable.

In July 2017, the number of children in Foundation Stage achieving a Good Level of Development was 88% (increased from 81% in 2016) (National standards 2017 71%). There was a predicted dip in Y1 phonics (due to a large group of children with identified Speech and Language barriers) with 84% of Y1 pupils meeting the required standard in phonics (National 81%) and 100% of Y2 resits. Phonics is a strength of the school and there are no concerns regarding provision. KS1 Reading attainment was 79% achieving the expected standard (3% above national average), 36% achieving the high standard (11% above national average).

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KS1 Writing attainment was 79% achieving the expected standard (11% above national average) 14% achieving the high standard (2% below national average). KS1 Maths attainment was 79% achieving the expected standard (4% above national average) 36% achieving the high standard (15% above national average). KS2 Reading attainment was 82% achieving the expected standard (11% above national average), 47% achieving the high standard (22% above national average).

KS2 Writing attainment was 76% achieving the expected standard (equal to national average) 6% achieving the high standard (12% below national average = 2 pupils). KS2 Maths attainment was 82% achieving the expected standard (7% above national average) 29% achieving the high standard (6% above national average). KS2 Grammar, Punctuation and Spelling attainment was 82% achieving the expected standard (5% above national average), 53% achieving the high standard (22% above national average). Reading, Writing and Maths combined attainment at KS2 was 76% achieving the expected standard (15% above national average), 6% achieving the high standard (3% below national average).

Progress scores were as follows: Read 3.7, Write -0.8, Maths 1.0. St Paul's was graded "Outstanding" by Ofsted in March 2010 and maintained "outstanding" in our Section 48 monitoring visit in July 2015.

c. Plans for the future ahead

Each of the schools sets its priorities, and the activities that flow from them, to ensure that excellent standards are maintained and attainment continues to rise across the Academy Trust.

At All Hallows Catholic College, school improvement activities include:

- Ensuring that assessments are benchmarked against new national standards and new GCSE grades;
- Interventions in Mathematics, MFL and Science to raise achievement further;
- Harnessing learning from work with schools being supported and partners in the TSA; and
- Developing new senior leaders.

The school improvement priorities for St Alban's Catholic Primary School are as follows:

- To continue to promote and develop the Catholic ethos of St Alban's Catholic Primary School;
- To improve the attainment and progress of Writing across the school;
- To improve the attainment and progress of Maths across the school;
- To embed Teacher Enhancement effectiveness Programme (TEEP) throughout the school;
- To ensure a broad, balanced, rich curriculum, incorporating a clear progression of skills and knowledge, with effective and informative assessment (NACE, e-safety, Science, Artsmark, global learning);
- To ensure the highest quality of provision for our children, through quality professional development of staff, in line with the new teachers' standard for CPD and standards for Teaching Assistants;
- To ensure that school attendance reaches target of 97% by end of academic year; and
- To ensure that all children in receipt of pupil premium make appropriate progress and achieve expected or better in Reading, Writing and Maths.

At Saint Mary's Catholic Primary School, the main school improvement activities are as follows:

- Leaders and governors now need to ensure that all pupils' progress from KS1 to KS2 is in the top 25% of schools nationally;
- The school needs to ensure that the quality of teaching and learning in science is as outstanding as in other core subjects. The quality of teaching and learning will be raised through the work undertaken to achieve the Silver Award Primary Science Quality Mark;
- The school will implement CPOMS (an online software application for monitoring child protection, safeguarding and a whole range of pastoral and welfare issues) in the current academic year to ensure that all information is captured efficiently to build detailed chronologies about children;
- The school now needs to ensure that all support staff use questioning more skilfully, allowing pupils more time to think and reflect, so that they enhance and extend their learning, particularly in the Early Years;

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- In order to ensure that teachers are effectively supporting any pupil who is falling behind, work in the School Development Plan will be centred round the effective deployment of TAs during lessons and that teachers are making the necessary adjustments for individual learners to overcome barriers to learning;
- To raise pupil and parental understanding of bullying and the school's approach to anti-bullying, the school will implement KiVA (a research-based anti-bullying program that has been developed in the University of Turku, Finland, with funding from the Ministry of Education and Culture, the effectiveness of which has been shown);
- To enhance outdoor learning in EYFS by ensuring the outdoor environment is richly resourced with play materials that can be adapted and used in different ways; and
- As the school has lowered its age limit to two years, then there is significant work to be undertaken by leaders to ensure the nursery provision is outstanding, which includes: ensuring that the necessary policies and practices are in place, including revision of the Early Years policy to reflect the lowering of the school age limit to two years; staff receive high quality professional development, which is then reflected in their daily practice; Teaching Assistants in Early Years to be subject to the same rigorous performance management process as other members of staff; systems are in place to measure the impact of leaders actions on pupil outcomes.

At St Paul's Catholic Primary School, the main activities for raising attainment are:

- Developing the role of middle leaders through the SLE (Specialist Leader in Education) programme;
- Scrutinise new assessment procedures to increase the proportion of pupils from different starting points achieving the expected standard and greater depth in writing and greater depth in mathematics at KS2;
- To enrich opportunities through a mastery approach to teaching mathematics across the school to raise standards in problem solving and reasoning;
- Provide varied opportunities for more able learners to make rapid and sustained progress in writing and mathematics;
- Ensure pupils have a secure understanding of how to keep themselves healthy, both emotionally and physically;
- Ensure pupils have a secure understanding of how they should relate to others, so they are well prepared to respect others and contribute to a wider society;
- Provide targeted support for Y1 phonics to reduce the impact of large numbers of pupils with speech and language barriers in current cohort;
- To ensure the negative difference across the school in spelling compared to grammar and punctuation is diminishing; and
- EYFS – review strategies and provision to increase the number of pupils exceeding national data in reading and moving and handling.

d. Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

e. Programme related investment

The emphasis that the Academy Trust and the individual schools place on education in values and through social enterprise has resulted in some notable achievements. These include:

All Hallows Catholic College

The support of a Clinic and Community Building project in Varusanadu, a mountain village in Tamil Nadu, South India. Almost £10,000 was raised in the year to 31 August 2017 through the College's fundraising activities, a measure of an outward and socially conscious school where staff and students appreciate their relationship to others in a global community. The College has an ongoing commitment to support the clinic in India and this is the major focus of its fundraising activity. Staff and students visit the clinic every two years to see the works that have been carried out, to strengthen relationships and to offer practical support.

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St Alban's Catholic Primary School

All pupils are encouraged to take responsibility and be fully involved in the school community – Head Boy and Head Girl, Year 6 Prefects, School Council, House Captains and Vice Captains, Mini Vinnies, E-Safety Officers, Eco-Council, Recycling Officers and Reading Buddies, Sport News Reporters, EAL buddies and GIFT team (Growing in Faith Together).

Our children have much involvement in St Alban's Parish and the wider community. Some examples are Christmas Carol Service at local Nursing Homes and Macclesfield Hospital, Sacramental Programme preparations, CAFOD, Mission Together, Good Shepherd Fund, Operation Christmas Child, NSPCC, Poppy Appeal, Age UK, East Cheshire Hospice, Macclesfield Care and Concern Homeless Project, Salvation Army, Cheshire East Recycling, Fair Trade Fortnight, Cancer Research UK, Children in Need and Time 2 Change ethical business initiative.

Saint Mary's Catholic Primary School

The pupils at Saint Mary's Catholic Primary School demonstrate their social conscience through the high number of fund raising activities which they organise each year. In 2016 to 2017, the school raised well over £2,000 for a number of charities including St Vincent de Paul's and East Cheshire Hospice.

St Paul's Catholic Primary School

St Paul's Catholic Primary School has very strong, personal links with three main settings: St James' Orphanage School in Uganda which we raise money to build exam rooms, tables, a medical centre and latrines; Starehe Boys and Starehe Girls Schools in Kenya (supported by the Martin Donaldson Trust) who visit us each year. The school also regularly support charities linked with causes which have touched children's lives in our school; Click Sargent, JDRF (Juvenile Diabetes Research Foundation), Macmillan Cancer Support, Mary's Meals, British Red Cross and Reuben's Retreat. Mini-Vinnies, Mission Together, British Legion and CAFOD fundraising run throughout the year.

Achievements and performance

a. Key performance indicators

Staff Costs as a percentage of total DfE income:

	2017		2016	
	Budget	Actual	Budget	Actual
Teaching	65%	64%	64%	62%
Educational Support	11%	12%	9%	9%
Other Academy Support	12%	11%	10%	11%

Expenditure on Direct Educational Supplies & Services per student: £388 (2016: £365).

b. Review of activities

During the year ended 31 August 2017, total expenditure of £10,708,458 (2016: £10,515,801) was largely covered by recurrent grant funding from the ESFA and LA together with other incoming resources. The excess of expenditure over income for the year totalled £654,241 (2016: £357,141).

Of the in-year deficit of £654,241, £220,000 relates to the accounting for the movements in the Local Government Pension Scheme liability as a result of the actuarial valuation for the year and £43,772 relates to a reduction in the fixed asset fund from the continued depreciation of tangible fixed assets net of fixed asset additions. This leaves an operational deficit in the running of the academy trust of £390,469, of which All Hallows Catholic College has experienced an in-year deficit position of £340,486, despite an increase in pupil numbers for the academic year, and therefore makes up the majority of the trust's overall deficit for the year.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Increased staffing costs, lagged funding for the increase in pupils and the continued cash flat funding has meant that it has been difficult for the College to maintain its current staffing structure and therefore plans have been put in place to reduce the overall staffing costs of the College so that a balanced budget can be achieved in future years. This has taken and will continue to take careful planning and monitoring to ensure any decisions made does not have a detrimental impact on the education of the pupils.

During the year a prior year adjustment was made to de-recognise land and buildings held under supplemental agreements. Following this adjustment, at 31 August 2017 the net book value of fixed assets was £1,151,825 (2016: £1,195,597). Movements in tangible fixed assets are shown in note 15 to the financial statements. The remaining assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust.

The company shows the deficit in relation to its staff in the Local Government Pension Scheme (LGPS) in its balance sheet. This deficit totalled £2,269,000 at 31 August 2017 (2016: £3,034,000).

On de-recognition of the assets held under supplemental agreements the Academy Trust finds itself with a total deficit of £575,903 (2016: £906,662) as at 31 August 2017. This is made up of £536,997 (2016: £931,741) of unrestricted general funds, £4,275 (2016: £nil) of restricted general funds, £1,151,825 (2016: £1,195,597) of restricted fixed asset funds and a deficit pension reserve of £2,269,000 (2016: £3,034,000). Excluding the deficit pension reserve, which is guaranteed by the Department of Education (as disclosed in note 23), the balance sheet would show total funds of £1,693,097 (2016: £2,127,338).

c. Investment policy and performance

Investments are made only in accordance with written procedures approved by the individual Governing Bodies. Current investments are through a fixed rate deposit account and 32 day notice account with our existing bank.

Financial review

a. Going concern

After making appropriate enquiries, and review of five year forecasts, the Board of Trustees has a reasonable expectation that the academies have adequate resources to continue in operational existence for at least the next couple of years. 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. Principal risks and uncertainties

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

They are satisfied that these systems are broadly consistent with guidelines issued by the DfE but recognise that some weaknesses do exist. The Trust has begun the process of pulling together individual risk management processes at each school to ensure that a standardised framework, consistently applied, is developed across the Trust so the Trustees have full oversight of risk management of the organisation and can take appropriate action.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Trust has a revised set of financial procedures, which are being updated to ensure consistency across the Trust.

c. Reserves policy

The Governors review the reserve levels of the individual Academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Governing Body is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Governors have determined that the appropriate level should be a minimum of £165,000. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £536,997 (2016: £931,741).

Designated funds of £40,000 have been set aside as a sinking fund to replace the carpet on the 3G football pitch at the end of its useful life. This fund is likely to accumulate over approximately 8 – 10 years until replacement is required.

d. Principal funding

The Academies' core funding has been in the form of General Annual Grant (GAG) from the ESFA. This includes the mainstreamed grants. Income relating to SEN funding has been received from the Local Authority.

All of the grants receivable from the ESFA and the LA during the year to 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

Plans for future periods

a. Future developments

The Academy Trust hopes to build on the successes of current partnership working in terms of learning outcomes and human formation across all school in the partnership. The extent to which this is part of the work of the Academy Trust will be determined by the number of partnership schools becoming academies. The AHLC plans and activities will be maintained as they are, pending the full inclusion of all partners in the Academy Trust. The plans schools currently in the Academy Trust centre on continuing to maximise achievement for all in the context of a vibrant learning community, which believes in the development of the whole person. The focus is on teaching and learning and providing excellent professional development for teachers so the schools can maintain the upward trend in outstanding lesson judgements. The schools will continue to maximise the benefits that arise from their expertise in teacher learning and school to school support in ensuring their own provision is up to date and of the highest standards.

Post balance sheet events

All Hallows Catholic College is in the process of recruiting a new Principal beginning Easter 2018 following Mr A S Billings promotion to a CEO role in another church based MAT.

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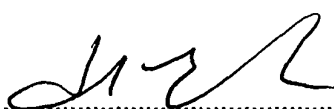
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee 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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 February 2018 and signed on its behalf by:



.....
Mrs H E Knight
Chair of Trustees

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

-As trustees, we acknowledge we have overall responsibility for ensuring that The Holy Family of Nazareth Catholic Academy 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 Board of Trustees 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 Holy Family of Nazareth Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A S Billings	3	3
Mr J Daley	0	1
Mrs J M Feely	2	3
Mrs A Heaton	2	3
Reverend D J Roberts	2	3
Mr D J Cunningham	3	3
Mrs N Armstrong-Boyle	3	3
Mrs A M Connor	1	3
Mrs T M Cooke	1	3
Mr S W Gachuhi	0	3
Mrs S Humphries	3	3
Mrs C M Ingram	3	3
Mr N R Johnson	0	1
Mr J Kalnins	3	3
Mrs H E Knight	1	1

The Board continues to review the governance of the Academy Trust, with a view to streamlining the number of committees and revising the organisation's structure. This will provide greater transparency and accountability to the Board of the Academy Trust.

-The Trustees have delegated functions, other than those defined as 'reserved functions' to the local Governing body (LGB) of the four individual Academies. The LGBs met 3 or 4 times during the year.

Each Academy has its own Finance Committee as a sub-committee of the LGB. Its purpose is to work in consultation with the Principal / Head servicing the committee to provide guidance to the Governing Body on priorities and issues relating to finance and resources at the Academy. Major issues are referred to the full Governing Body for ratification.

Review of Value for Money

-As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust 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 HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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

- Supporting the work of the AHLC during 2016/17, which has had a particular focus on procurement, shared contracting and value for money. The community has worked together under the direction of the AHLC Business Manager to share information and ideas to ensure that savings have been made across the group as a whole;
- Sharing resources within the Academy Trust and undertaking work as a group that would otherwise be contracted separately at higher cost. For example, use of central finance resources and support; centralisation of clerking services and HR support services; and
- Professionalisation of school to school support and costing thereof. Work done in other schools is always costed appropriately to ensure that the customer gets the service they require but that it is done in a manner and with an appropriate charge that ensures it is value for money for the Academy Trust.

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 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 Holy Family of Nazareth Catholic Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust'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 Board of Trustees;
- regular reviews by the 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 Risk and Control Framework is still under review following the expansion of the Academy Trust. Financial procedures continue to be updated and the internal audit function will be adapted to match the needs of the larger group.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

Dains LLP have been the internal auditor of Academy Trust throughout the financial year. They have undertaken two major pieces of work being a review of the Academy Trust's payroll systems and income systems. Both of these pieces of work were concluded in the financial year and any recommendations implemented where applicable.

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 auditors;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 February 2018 and signed on their behalf, by:


.....
Mrs H E Knight
Chair of Trustees


.....
Mr A S Billings
Accounting Officer

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Holy Family of Nazareth Catholic Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance has been discovered to date and has been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

~~Risk management policy and risk register~~

The Academy Trust does not have a risk management policy at board level. Nor does it have a risk register at this level on which risks have been recorded and monitored throughout the year.


.....
Mr A S Billings
Accounting Officer

7 February 2018

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of The Holy Family of Nazareth Catholic Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

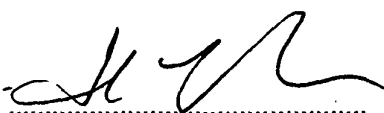
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping 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 Trustees 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 Trustees 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 Board of Trustees on 7 February 2018 and signed on its behalf by:



Mrs H E Knight
Chair of Trustees

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

Opinion

We have audited the financial statements of The Holy Family of Nazareth Catholic Academy Trust (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and 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 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

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

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

In preparing the financial statements, the Trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or 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.

Moore Stephens

Ashley M Conway (Senior statutory auditor)
for and on behalf of
Moore Stephens, Statutory Auditor
Chartered Accountants
1 Lakeside
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5RY

Date:

9/2/2018

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE HOLY
FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 17 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Holy Family of Nazareth Catholic Academy Trust during the year 1 September 2016 to 31 August 2017 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 Holy Family of Nazareth Catholic Academy 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 Holy Family of Nazareth Catholic Academy 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 Holy Family of Nazareth Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Holy Family of Nazareth Catholic Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Holy Family of Nazareth Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 31 December 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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's income and expenditure.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE HOLY
FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY (continued)**

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Officer and Governing Body;
- tests of control have been carried out on control activities which are relevant to regularity; and
- on a sample basis, substantive testing of individual transactions.

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Risk management policy and risk register

The Academy Trust does not have a risk management policy at board level. Nor does it have a risk register at this level on which risks have been recorded and monitored throughout the year.

Moore Stephens

Moore Stephens
Chartered Accountants
1 Lakeside
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5RY

Date: 9/2/2018

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	11,859	112,045	87,745	211,649	410,444
Charitable activities:	3					
- Funding for the academy trust's educational operations		51,596	9,158,638	-	9,210,234	9,287,762
Teaching school		38,075	64,275	-	102,350	-
Other trading activities	4	435,570	92,519	-	528,089	457,171
Investments	5	1,895	-	-	1,895	3,283
TOTAL INCOME		538,995	9,427,477	87,745	10,054,217	10,158,660
EXPENDITURE ON:						
Raising funds	7	74,684	4,145	-	78,829	7,227
Charitable activities:						
Academy trust's educational operations	7	-	10,245,760	171,147	10,416,907	10,022,747
Teaching school	7	13,615	60,000	-	73,615	-
Other expenditure	6	-	139,107	-	139,107	485,827
TOTAL EXPENDITURE		88,299	10,449,012	171,147	10,708,458	10,515,801
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	450,696 (845,440)	(1,021,535) 805,810	(83,402) 39,630	(654,241) -	(357,141) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(394,744)	(215,725)	(43,772)	(654,241)	(357,141)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	985,000	-	985,000	(974,000)
NET MOVEMENT IN FUNDS		(394,744)	769,275	(43,772)	330,759	(1,331,141)
RECONCILIATION OF FUNDS:						
Total funds brought forward		931,741	(3,034,000)	34,082,790	31,980,531	33,298,024
Prior year adjustment		-	-	(32,887,193)	(32,887,193)	(32,873,545)
TOTAL FUNDS CARRIED FORWARD		536,997	(2,264,725)	1,151,825	(575,903)	(906,662)

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 08307881

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	As restated 2016 £
FIXED ASSETS				
Tangible assets	15		1,151,825	1,195,597
CURRENT ASSETS				
Debtors	16	427,309	521,394	
Cash at bank and in hand		1,037,832	1,368,657	
		<u>1,465,141</u>	<u>1,890,051</u>	
CREDITORS: amounts falling due within one year	17	(923,869)	(958,310)	
NET CURRENT ASSETS			<u>541,272</u>	<u>931,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,693,097</u>	<u>2,127,338</u>
Defined benefit pension scheme liability	23		(2,269,000)	(3,034,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(575,903)</u>	<u>(906,662)</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	19	4,275	-	
Restricted fixed asset funds	19	1,151,825	1,195,597	
Restricted income funds excluding pension liability		<u>1,156,100</u>	<u>1,195,597</u>	
Pension reserve		<u>(2,269,000)</u>	<u>(3,034,000)</u>	
Total restricted income funds			<u>(1,112,900)</u>	<u>(1,838,403)</u>
Unrestricted income funds	19		<u>536,997</u>	<u>931,741</u>
TOTAL DEFICIT			<u>(575,903)</u>	<u>(906,662)</u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue, on 7 February 2018 and are signed on their behalf, by:



Mrs H E Knight
Trustee

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	As restated 2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(244,370)</u>	<u>(192,507)</u>
Cash flows from investing activities:			
Interest received		1,895	3,283
Purchase of tangible fixed assets		(127,374)	(135,134)
Capital grants from DfE/ESFA		39,024	53,792
Net cash used in investing activities		<u>(86,455)</u>	<u>(78,059)</u>
Change in cash and cash equivalents in the year		(330,825)	(270,566)
Cash and cash equivalents brought forward		<u>1,368,657</u>	<u>1,639,223</u>
Cash and cash equivalents carried forward		<u><u>1,037,832</u></u>	<u><u>1,368,657</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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) (SORP 2015), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Holy Family of Nazareth Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

The Trustees 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. In making this assessment the Trustees have considered the Trust's five year forecast which has been prepared using the best available information at this time. This forecast demonstrates that the Trust could find itself in a deficit position beyond 31 August 2020. However, the Trustees recognise that significant uncertainty exists about the final impact of the new National Funding Formula which is yet to be announced. The forecast does demonstrate that the Academy Trust has adequate resources to continue in operational existence for at least the next couple of years and, when combined with the additional opportunities to make cost savings that have been identified, the Trustees have concluded that 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Trust 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 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 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. Capital grant income in connection with expenditure on property held under supplemental agreements is included in restricted general funds. Capital grant income in connection with expenditure on fixed assets is included in the restricted fixed asset fund. Unspent amounts of capital grant are reflected in the balance sheet in restricted general funds or restricted fixed asset funds, as appropriate.

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

Other income, including school to school support and 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 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 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's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

Other expenditure includes donations to the Shrewsbury Roman Catholic Diocesan Trustees by way of improvements to property held under supplemental agreements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 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. 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, 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:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

L/Term Leasehold land	-	125 years straight line
L/Term Leasehold improvements	-	50 years straight line
Fixtures and fittings	-	4 years straight line
Computer equipment	-	3 years straight line

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

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.

The Trust also occupies property held under church supplemental agreements which permit occupancy of these premises with a notice period of two years. The Trust is not able to exercise control over this property and therefore no fixed assets have been recognised in these financial statements.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

1.9 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.

1.10 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade debtors are basic financial instruments. Debt instruments measured at amortised cost are detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors are financial instruments. Debt instruments measured at amortised cost are detailed in note 18. 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.

1.12 Taxation

The Trust 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 Trust 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 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 Trust 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 23, 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 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.

1.14 Fund accounting

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

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 and include grants from the Department for Education/Education and Skills Funding Agency.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 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 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trustees have considered the apportionment of depreciation between direct and support costs. The majority of fixed assets are almost entirely used for the provision of education and only a small part for support services. Therefore a 95% direct cost and 5% support cost apportionment is considered appropriate.

The Trustees have considered the accounting treatment of land and buildings utilised by the Trust and, in particular, the occupied property that is held under church supplemental agreements. The freehold titles to the properties occupied under supplemental agreements are held by Shrewsbury Roman Catholic Diocesan Trustees. Under church supplemental agreements the Academy Trust is permitted occupancy of the properties with a notice period of two years, and no rental is payable under these arrangements. The Trustees do not consider that the Academy Trust is able to exercise control over the properties and therefore the properties do not meet the definition of an asset of the Trust and have not been recognised as fixed assets in these financial statements. The market value of such donated facilities has not been recognised in the financial statements as the Trustees consider that no reliable measure is available. Any expenditure on such properties is included in other costs in the statement of financial activities.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.16 Prior year adjustment

On reflection, the Trustees have determined that the Academy Trust is not able to exercise control over land and buildings held under church supplemental agreements and as a result those land and buildings have been de-recognised by way of prior year adjustment. This change has resulted in:

- A reduction in the carrying value of long term leasehold property and restricted fixed asset funds as at 31 August 2015 of £32,873,545;
- An increase in other expenditure in year ended 31 August 2016 of £485,827;
- A reduction in the depreciation charge in year ended 31 August 2016 of £472,179; and
- A reduction in the carrying value of long term leasehold property and restricted fixed asset funds as at 31 August 2016 of £32,887,193.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Donations	11,859	28,886	-	40,745	28,749
Capital Grants	-	83,159	87,745	170,904	381,695
	<u>11,859</u>	<u>112,045</u>	<u>87,745</u>	<u>211,649</u>	<u>410,444</u>
<i>Total 2016 as restated</i>	<u>11,725</u>	<u>371,512</u>	<u>27,207</u>	<u>410,444</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	8,121,633	8,121,633	8,188,514
Start Up Grants	-	15,117	15,117	-
Other DfE/ESFA Grants	-	485,628	485,628	598,313
National college grants (within 'Teaching school income')	-	64,275	64,275	-
	-	8,686,653	8,686,653	8,786,827
Other government grants				
SEN	-	254,373	254,373	200,703
Other Grant Income	-	17,384	17,384	6,000
	-	271,757	271,757	206,703
Other funding				
Other income from the academy trust's educational operations	51,596	264,503	316,099	294,232
Other teaching school income	38,075	-	38,075	-
	89,671	264,503	354,174	294,232
	89,671	9,222,913	9,312,584	9,287,762
Total 2016	27,297	9,260,465	9,287,762	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other income	357,587	92,519	450,106	399,677
Lettings income	77,983	-	77,983	57,494
	435,570	92,519	528,089	457,171
Total 2016	379,010	78,161	457,171	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest receivable	1,895	-	1,895	3,283
<i>Total 2016</i>	3,283	-	3,283	

6. OTHER EXPENDITURE

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated Total funds 2016 £</i>
Donations	-	139,107	139,107	485,827
<i>Total 2016 as restated</i>	131,339	354,488	485,827	

Donations includes expenditure on property held under supplemental agreements.

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>As restated Total 2016 £</i>
Expenditure on raising voluntary income	-	-	78,829	78,829	7,227
Academy's educational operations:					
Direct costs	6,655,398	14,222	905,905	7,575,525	7,486,276
Support costs	1,088,636	200,808	1,551,937	2,841,381	2,536,471
Teaching school:					
Direct costs	42,835	-	13,288	56,123	-
Support costs	15,500	-	1,993	17,493	-
	7,802,369	215,030	2,551,952	10,569,351	10,029,974
<i>Total 2016 as restated</i>	7,395,539	432,806	2,201,629	10,029,974	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	As restated Total 2016 £
Academy's educational operations	7,575,525	2,841,381	10,416,906	10,022,747
Teaching school	56,123	17,493	73,616	-
Total 2017	7,631,648	2,858,874	10,490,522	10,022,747
<i>Total 2016 as restated</i>	<i>7,486,276</i>	<i>2,536,471</i>	<i>10,022,747</i>	

Analysis of direct costs

	Academy's educational operations £	Teaching school £	Total 2017 £	As restated Total 2016 £
Educational supplies	696,966	12,243	709,209	676,195
Staff development	60,572	1,045	61,617	139,834
Wages and salaries	5,297,146	37,612	5,334,758	5,190,332
National insurance	493,633	2,522	496,155	438,136
Pension cost	864,618	2,701	867,319	860,739
Depreciation	162,590	-	162,590	181,040
	7,575,525	56,123	7,631,648	7,486,276
<i>At 31 August 2016 as restated</i>	<i>7,486,276</i>	<i>-</i>	<i>7,486,276</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Academy's educational operations £	Teaching school £	Total 2017 £	As restated Total 2016 £
Pension scheme interest cost	62,000	-	62,000	73,000
Staff costs	1,088,637	15,500	1,104,137	906,332
Depreciation	8,557	-	8,557	9,529
Legal and professional	25,892	-	25,892	34,607
Maintenance of premises and equipment	139,882	-	139,882	220,124
Catering	179,305	68	179,373	182,067
Technology costs	77,737	-	77,737	78,984
Cleaning	124,461	-	124,461	118,413
Rent and rates	129,768	-	129,768	115,180
Insurance	70,291	-	70,291	82,530
Transport and security	159,479	-	159,479	141,899
Energy costs	133,990	-	133,990	94,613
School trips	327,445	-	327,445	284,189
Other support costs	310,277	1,925	312,202	175,244
Governance costs	3,660	-	3,660	19,760
	2,841,381	17,493	2,858,874	2,536,471
<i>At 31 August 2016 as restated</i>	<i>2,536,471</i>	<i>-</i>	<i>2,536,471</i>	

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	40,166	38,806	See below

A new Head was appointed and declined the offer of support and did not wish to follow the support plan as previously agreed. Agreement to pay component of the support plan but not all.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	<i>As restated</i>
	£	2016
		£
Depreciation of:		
- tangible fixed assets	171,146	190,569
Auditors' remuneration - audit	9,500	8,250
Auditors' remuneration - other services	10,050	10,050
Operating lease rentals	26,419	27,876
	<u>217,115</u>	<u>236,745</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	6,073,898	5,857,192
Social security costs	543,343	470,949
Operating costs of defined benefit pension schemes	1,173,351	1,055,435
	<u>7,790,592</u>	<u>7,383,576</u>
Apprenticeship levy	3,473	-
Staff restructuring costs	8,304	11,963
	<u>7,802,369</u>	<u>7,395,539</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	8,304	-
Severance payments	-	11,963
	<u>8,304</u>	<u>11,963</u>

Included in staff restructuring costs in 2016 were two non-statutory/non-contractual severance payments totalling £11,963. Individually, the payments were £7,631 and £4,332. In 2017 there were no non-statutory/non-contractual severance payments.

The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teachers	126	113
Administration and support	112	116
Management	8	19
	<u>246</u>	<u>248</u>

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11. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £120,000 - £130,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £504,621 (2016: £519,536).

12. CENTRAL SERVICES

During the year, the Trust implemented a policy of charging each school 1.5% of its General Annual Grant to cover central services. The service supplied include financial and legal support, clerking services, financial software and audit services. In addition, amounts are charged in respect of certain members of the finance team who work across the Trust. The Trust continues to work on its model for charging of central services and as more services are charged from the centre over time, the central charge will be reviewed periodically and adjusted over time.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Alban's Catholic Primary School	16,943	15,764
St Mary's Catholic Primary School	11,077	11,387
St Paul's Catholic Primary	7,459	7,425
All Hallows Catholic College	86,146	88,124
Total	<u>121,625</u>	<u>122,700</u>

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13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Mr A S Billings	Remuneration	120,000-125,000	120,000-125,000
	Pension contributions paid	20,000-25,000	20,000-25,000
Mrs A Heaton	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
Mrs A M Connor	Remuneration	55,000-60,000	65,000-70,000
	Pension contributions paid	0-5,000	10,000-15,000
Mrs N Armstrong-Boyle	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs T M Cooke	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs S Humphries	Remuneration	55,000-60,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, Trustees received a total of £327 in reimbursement of expenses (2016 - £nil).

14. TRUSTEES' 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,125 (2016 - £2,115).

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15. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2016 (as previously stated)	35,260,809	308,342	544,422	53,056	36,166,629
Prior year adjustment	(34,256,348)	-	-	(53,056)	(34,309,404)
At 1 September 2016 (as restated)	1,004,461	308,342	544,422	-	1,857,225
Additions	-	6,874	120,500	-	127,374
At 31 August 2017	1,004,461	315,216	664,922	-	1,984,599
Depreciation					
At 1 September 2016 (as previously stated)	1,481,483	210,745	391,611	-	2,083,839
Prior year adjustment	(1,422,211)	-	-	-	(1,422,211)
At 1 September 2016 (as restated)	59,272	210,745	391,611	-	661,628
Charge for the year	14,971	61,123	95,052	-	171,146
At 31 August 2017	74,243	271,868	486,663	-	832,774
Net book value					
At 31 August 2017	930,218	43,348	178,259	-	1,151,825
At 31 August 2016 (as restated)	945,189	97,597	152,811	-	1,195,597

16. DEBTORS

	2017 £	2016 £
Trade debtors	161,512	54,420
Other debtors	85,818	240,054
Prepayments and accrued income	179,979	226,920
	427,309	521,394

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17. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	287,584	369,883
Other taxation and social security	140,296	131,887
Other creditors	144,510	130,470
Accruals and deferred income	351,479	326,070
	<u>923,869</u>	<u>958,310</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	238,097	364,765
Resources deferred during the year	243,928	238,097
Amounts released from previous years	(238,097)	(364,765)
Deferred income at 31 August 2017	<u>243,928</u>	<u>238,097</u>

Creditors includes £243,928 (2016: £238,097) of income which has been deferred into the following year due to the timing of the Trust's entitlement to the income. There are no unfulfilled conditions attached to this income at the balance sheet date. This includes the following balances in respect of restricted funds:

	2017 £	2016 £
Teaching School Income	-	60,000
UIFSM	62,456	61,054
Mental Health Grant	-	3,500
DFC	7,454	48,721
Sports Grant	-	12,158
CIF	119,578	52,664
SEN	54,440	-
Total	<u>243,928</u>	<u>238,097</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	161,512	54,420
Financial liabilities measured at amortised cost	287,584	369,883

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors.

19. STATEMENT OF FUNDS

	Balance at 1 September 2016 <i>As restated</i> £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Designated Funds	-	-	-	40,000	-	40,000
General funds						
General Funds	931,741	538,995	(88,299)	(885,440)	-	496,997
Total Unrestricted funds	931,741	538,995	(88,299)	(845,440)	-	536,997
Restricted funds						
General Annual Grant (GAG)	-	8,121,633	(8,927,443)	805,810	-	-
Other DfE/EFA Grants	-	613,179	(608,904)	-	-	4,275
Other income	-	692,665	(692,665)	-	-	-
Pension reserve	(3,034,000)	-	(220,000)	-	985,000	(2,269,000)
	(3,034,000)	9,427,477	(10,449,012)	805,810	985,000	(2,264,725)
Restricted fixed asset funds						
Land and buildings	945,189	-	(14,971)	-	-	930,218
General fixed asset fund	250,408	87,745	(156,176)	39,630	-	221,607
	1,195,597	87,745	(171,147)	39,630	-	1,151,825
Total restricted funds	(1,838,403)	9,515,222	(10,620,159)	845,440	985,000	(1,112,900)
Total of funds	(906,662)	10,054,217	(10,708,458)	-	985,000	(575,903)

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

STATEMENT OF FUNDS - PRIOR YEAR AS RESTATED

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Designated funds						
	-	-	-	-	-	-
General funds						
General Funds	1,049,983	421,315	(151,169)	(388,388)	-	931,741
	<u>1,049,983</u>	<u>421,315</u>	<u>(151,169)</u>	<u>(388,388)</u>	<u>-</u>	<u>931,741</u>
Total Unrestricted funds	<u>1,049,983</u>	<u>421,315</u>	<u>(151,169)</u>	<u>(388,388)</u>	<u>-</u>	<u>931,741</u>
Restricted funds						
General Annual Grant (GAG)	72,464	8,188,514	(8,541,439)	280,461	-	-
Other DfE/ESFA Grants	-	952,801	(952,801)	-	-	-
Other income	-	568,823	(568,823)	-	-	-
Pension reserve	(1,949,000)	-	(111,000)	-	(974,000)	(3,034,000)
	<u>(1,876,536)</u>	<u>9,710,138</u>	<u>(10,174,063)</u>	<u>280,461</u>	<u>(974,000)</u>	<u>(3,034,000)</u>
Restricted fixed asset funds						
Land and buildings	960,161	-	(14,972)	-	-	945,189
General fixed asset fund	290,871	27,207	(175,597)	107,927	-	250,408
	<u>1,251,032</u>	<u>27,207</u>	<u>(190,569)</u>	<u>107,927</u>	<u>-</u>	<u>1,195,597</u>
Total restricted funds	<u>(625,504)</u>	<u>9,737,345</u>	<u>(10,364,632)</u>	<u>388,388</u>	<u>(974,000)</u>	<u>(1,838,403)</u>
Total of funds	<u>424,479</u>	<u>10,158,660</u>	<u>(10,515,801)</u>	<u>-</u>	<u>(974,000)</u>	<u>(906,662)</u>

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

The General Annual Grant (GAG) fund is for the charitable purposes of the Trust and applied under the ESFA guidance.

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19. STATEMENT OF FUNDS (continued)

Other DfE/ESFA grants are grants from the DfE and ESFA which are not the GAG but are used for the charitable purposes of the Trust.

Other income relates to miscellaneous income received including school to school support income and hire of facilities.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund relates to fixed assets purchased or inherited less depreciation.

Transfers between the unrestricted general fund and the restricted fixed asset fund relates to the purchase of fixed assets for educational purposes.

Transfers between unrestricted general funds and restricted general funds relates to charitable expenditure in excess of related income.

Under the funding agreement with the Secretary of State, the academies were not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>As restated Total 2016 £</i>
All Hallows Catholic College	91,276	431,762
St Alban's Catholic Primary School	106,247	117,595
St Mary's Catholic Primary School	214,961	219,339
St Paul's Catholic Primary	128,788	163,045
Total before fixed asset fund and pension reserve	541,272	931,741
Restricted fixed asset fund	1,151,825	1,195,597
Pension reserve	(2,269,000)	(3,034,000)
Total	<u>(575,903)</u>	<u>(906,662)</u>

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

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 2017 £	As restated Total 2016 £
All Hallows Catholic College	4,877,256	596,436	403,624	1,535,835	7,413,151	7,258,186
St Alban's Catholic Primary School	872,591	141,206	85,995	243,481	1,343,273	1,294,768
St Mary's Catholic Primary School	564,084	108,974	65,455	165,762	904,275	935,399
St Paul's Catholic Primary School	384,301	99,521	29,808	142,983	656,613	594,538
	<u>6,698,232</u>	<u>946,137</u>	<u>584,882</u>	<u>2,088,061</u>	<u>10,317,312</u>	<u>10,082,891</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,151,825	1,151,825
Current assets	536,996	928,145	-	1,465,141
Creditors due within one year	-	(923,869)	-	(923,869)
Provisions for liabilities and charges	-	(2,269,000)	-	(2,269,000)
	<u>536,997</u>	<u>(2,264,725)</u>	<u>1,151,825</u>	<u>(575,903)</u>

-ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	1,195,597	1,195,597
Current assets	931,741	958,310	-	1,890,051
Creditors due within one year	-	(958,310)	-	(958,310)
Provisions for liabilities and charges	-	(3,034,000)	-	(3,034,000)
	<u>931,741</u>	<u>(3,034,000)</u>	<u>1,195,597</u>	<u>(906,662)</u>

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

	2017 £	As restated 2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(654,241)	(357,141)
Adjustment for:		
Depreciation charges	171,146	190,569
Interest receivable	(1,895)	(3,283)
Decrease in debtors	94,085	29,722
Decrease in creditors	(34,441)	(136,167)
Capital grants from DfE and other capital income	(39,024)	(27,207)
Defined benefit pension scheme cost less contributions payable	158,000	38,000
Defined benefit pension scheme finance cost	62,000	73,000
Net cash used in operating activities	(244,370)	(192,507)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,037,832	1,368,657
Total	1,037,832	1,368,657

23. PENSION COMMITMENTS

The academy'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 Cheshire West and Chester Council. 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 March 2016.

Contributions amounting to £125,255 were payable to the schemes at 31 August 2017 (2016 - £125,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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23. PENSION COMMITMENTS (continued)

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 valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £685,445 (2016 - £707,610).

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 a 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 2017 was £405,000 (2016 - £382,000), of which employer's contributions totalled £331,000 (2016 - £310,000) and employees' contributions totalled £74,000 (2016 - £72,000). The agreed contribution rates for future years are 23.8% for employers and 5.5% to 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.

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23. PENSION COMMITMENTS (continued)

	2017	2016
Discount rate for scheme liabilities*	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

* The assumptions set out above for 2016 have been used by the actuary to value £4,757,000 of the scheme liabilities. For £470,000 of the scheme liabilities a discount rate for scheme liabilities of 2.10% was used. For 2017 a single rate has been used for all liabilities.

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

	2017	2016
Retiring today		
Males	22.3	22.3
Females	24.5	24.4
Retiring in 20 years		
Males	23.9	24.1
Females	26.5	26.7

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,837,000	1,711,000
Corporate bonds	830,000	329,000
Property	207,000	154,000
Cash and other liquid assets	89,000	-
Total market value of assets	<u>2,963,000</u>	<u>2,194,000</u>

The actual return on scheme assets was £389,000 (2016 - £260,000).

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23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(489,000)	(348,000)
Interest income	48,000	64,000
Interest cost	(110,000)	(137,000)
Total	(551,000)	(421,000)

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

	2017 £	2016 £
Opening defined benefit obligation	5,227,000	3,525,000
Current service cost	489,000	348,000
Interest cost	110,000	137,000
Employee contributions	74,000	72,000
Actuarial (gains)/losses	(596,000)	1,234,000
Benefits paid	(72,000)	(89,000)
Closing defined benefit obligation	5,232,000	5,227,000

Movements in the fair value of the academy's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	2,193,000	1,576,000
Interest income	48,000	64,000
Actuarial losses	389,000	260,000
Employer contributions	331,000	310,000
Employee contributions	74,000	72,000
Benefits paid	(72,000)	(89,000)
Closing fair value of scheme assets	2,963,000	2,193,000

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24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	13,184	27,876
Between 1 and 5 years	924	44,914
Total	14,108	72,790

25. 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.

26. RELATED PARTY TRANSACTIONS

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

During the year the Trust paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust of £43,147 (2016: £11,162).

Mr A S Billings, the Principal of All Hallows Catholic College and the Accounting Officer was also the executive Principal at St Chad's Catholic and Church of England High School until April 2016. The Trust provided services to St Chad's Catholic and Church of England High School and during the previous year these amounted to £82,621. At the year end the amount owed by St Chad's Catholic and Church of England High School was £nil (2016: £29,889).

Mr A S Billings, the Principal of All Hallows Catholic College and the Accounting Officer was also the executive Principal at St Paul's Catholic High School. The Trust provides services to St Paul's Catholic High School and during the year these amounted to £183,297 (2016: £88,563). At the year end the amount owed by St Paul's Catholic High School was £44,025 (2016: £662).

27. POST BALANCE SHEET EVENTS

All Hallows Catholic College is in the process of recruiting a new Principal beginning Easter 2018 following Mr A S Billings promotion to a CEO role in another church based MAT.