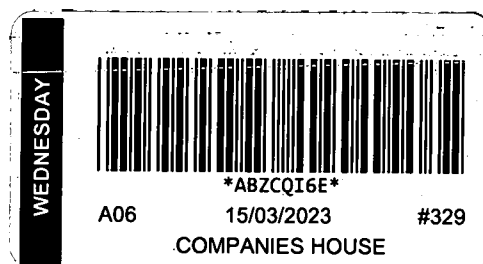


Company Registration Number: 09064485 (England and Wales)

OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3
Statement of directors' responsibilities	18
Independent auditors' report on the financial statements	19 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 56

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Diocesan Bishop Members	His Grace Archbishop Bernard Longley Mr Eric Michael Kirwan (appointed 14 October 2021) Mr Adam Hardy (resigned 6 February 2022) Canon Johnathan Veasey Deacon David Andrew Palmer (resigned 15 October 2021) Jaqui Francis (appointed 6 January 2022) Peter Vella (appointed 6 January 2022) Christopher Loughran (appointed 21 January 2022)
Directors	Yvonne Brennan (appointed 1 September 2021) ^{1,2,3} Christopher Bird ^{1,2} Noel Anthony Burke ^{2,3} Mike Connolly ⁴ Michael Fletcher (appointed 1 September 2021) ¹ Kari Gordon (appointed 1 September 2021) ^{3,4} Bernadette Mary Mackie ^{1,2,4} Michael Anthony Christopher Tilt ¹ Victoria Wells ⁴ ¹ Finance committee ² Risk & Audit committee ³ Remuneration committee ⁴ Catholic Mission Performance Standards
Company registered number	09064485
Company name	Our Lady of the Magnificat MAC
Principal and registered office	Trinity Catholic High School, Guys Cliffe Ave Leamington Spa Warwickshire CV32 6NB
Chief executive officer	Mr T Leverage (CSEL)
Senior management team	Mr A Quinn, Director of School Improvement Mrs J McNally, Asst Director School Improvement/Executive Head Mr G O Connor, Headteacher Mr J Shires, Headteacher (resigned 5 June 2022) Mr L Payton, Headteacher (appointed 6 June 2022) Mr L Roberts, Headteacher Mrs B Morris, Headteacher, Asst Director of school Improvement Mrs C Clubbley, Headteacher Mrs M Woods, Headteacher Mrs M Gourlay, Headteacher Mrs C Miller, Headteacher Mrs K Wilkes, Headteacher (appointed from 14 July 2022) Mrs J Smith, Executive Headteacher Mrs T Moriani, Headteacher (resigned 31 August 2022) Ann Marie Rooney, Head of School (appointed 9 March 2022) Ms Louise Armfield, Chief Financial Officer Miss Hannah Clemons, Head of Operations (appointed 1 February 2022) Mrs Ann Cullwick, Chief Operating officer (resigned 18 February 2022)

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers Lloyds Bank PLC
19 Church Green E
Redditch
B98 8BZ

Solicitors Brown & Jacobson LLP
Mowbray House
Castle Meadow Rd
Nottingham
NG2 1BJ

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Multi Academy Company ("MAC") operates first, primary, middle, and secondary academies for pupils aged 4 to 18 in Warwickshire and Worcestershire. It has a pupil capacity of 5,186 and had a roll of 4,152 in the school census in October 2022.

The charitable company passed a special resolution on 28 May 2021 changing its name from Our Lady of Lourdes Multi Academy Company to Our Lady of The Magnificat Multi Academy Company. Holy Family Catholic Multi Academy company merged into the company on 1st September 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi Academy Company (incorporated on 30 May 2014) is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Multi Academy Company. The Trustees of Our Lady of Magnificat are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Our Lady of The Magnificat Multi Academy Company.

In a Catholic Multi Academy Company the Trustees are known as Directors. Details of the Directors who served throughout the year ending 31st August 2022, and to the date the accounts are approved are included in the Reference and Administration Details.

Directors' Liability

Each Director 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 Director, or within one year after he/she ceases to be a Director, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Director.

Directors' Indemnities

The MAC has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on MAC business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers' indemnity element from the overall cost of the RPA scheme membership.

Method of recruitment and appointment or election of Directors

The management of the MAC is the responsibility of the Directors who are elected and co-opted under the terms of the Company deed. Any persons may be appointed by the Bishop. The Members may appoint such additional members as it thinks fit and may remove any such additional Members appointed by it. If the Members ceases to exist and is not replaced by a successor institution or becomes insolvent or makes any arrangement or composition with its creditors generally its right to appoint Members under the Articles shall vest in the Diocesan Bishop.

Those wishing to become members of the Board of Directors must complete an Academy Foundation Director Application form and submit to the Diocese for the approval of the bishop. Any new member must complete the Deed of Adherence to the Scheme of Delegation and an undertaking to the Diocesan Bishop.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Board of Directors structure: There must always be a least 3 Foundation Directors in post. In addition to the Full Board there are four subcommittees: Risk and Audit, Finance and Resources, Remuneration and Catholic Mission Performance Standards of which the Directors are members providing assurance, setting strategic direction and to monitor performance both academic and financial.

Policies and Procedures adopted for the Induction and Training of Directors

All Directors are provided with a number of documents to read and familiarise themselves with. These documents include the Articles of Association, Funding Agreement, Deed of Adherence, Code of Practice as set by the Archdiocese of Birmingham, and the Academy Trust Handbook. Directors are encouraged to work with Academy Representatives on the areas they oversee and are invited to attend the in-house Head Teachers' Conferences when relevant to get to know academy Leaders and the individual context of each of their schools. All Directors have been offered training on Director Roles and responsibilities by the Diocesan Education Service in the Archdiocese of Birmingham. A bespoke induction and training programme is presently being prepared for all Board members by the newly appointed Governance Professional.

Organisational Structure

The Board of Directors are responsible for the overall strategic direction of the Our Lady of The Magnificat MAC. The Directors have a duty to act in the fulfilment of the Company's objectives.

The Directors are responsible for setting general policies across the MAC, adopting an annual MAC Business Plan and budget, monitoring the MAC using budgets and making strategic decisions about the direction of the MAC, capital expenditure and certain staff appointments.

The Board of Directors delegate responsibility for Leadership and Management to the executive leadership team of the MAC and Academy Local Governing Bodies. In turn the management of the individual schools is delegated to the Principal/Head teacher and Senior Leadership Team within the individual schools. The Senior Leadership Team are responsible at an executive level for implementing the policies laid down by Directors and reporting back to them through the various committees. The Catholic Senior Executive Leader ("CSEL") is currently the Accounting Officer and is responsible for the authorization of spending within agreed budgets. Spending control is devolved to designated budget holder within a hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

The CSEL is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The executive leadership team of the Our Lady Of The Magnificat MAC are appointed and managed in accordance with the relevant professional standard: Teachers standard and ISBL professional standards.

Pay and remuneration are set in accordance with the Our Lady Of The Magnificat pay scale as agreed with the various Trade Unions. All personnel receive annual reviews where objectives are set to drive the Our Lady Of The Magnificat MAC Business plan. The Our Lady of The Magnificat MAC has a pay policy which states the expectations of personnel in reference to pay increases.

The Board of Directors operates a remuneration committee which meets three times a year. The committee reviews and sets executive pay in accordance with the MAC pay scale and policy, utilising external providers to benchmark pay for the Executive team, including the CSEL.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	One
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	2,297
Provide the total pay bill	18,270,627
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.01%

ACHIEVEMENTS AND PERFORMANCE

Key Performance Indicators

MAC Primary Outcomes	2019	National (2019)	2022	National (2022)
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Early Years

% Achieving a good level of development	69	72	72	74
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Year 1 Phonics

% Achieving the expected standard in phonics	85	82	81	75
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End of Key Stage 1

% Achieving expected standard or higher in reading	78	75	76	67
% Achieving greater depth in reading	25	25	23	18
% Achieving expected standard or higher in writing	63	69	67	58
% Achieving greater depth in writing	15	15	16	8
% Achieving expected standard or higher in maths	69	76	76	68
% Achieving greater depth in maths	17	22	19	15

End of Key Stage 2

% Achieving expected standard or higher in reading	84	73	88	74
% Achieving a higher standard in reading	32	27	39	28
% Achieving expected standard or higher in writing	85	78	80	69
% Achieving a higher standard in writing	16	20	19	13
% Achieving expected standard or higher in maths	85	79	86	71
% Achieving a higher standard in maths	26	27	23	22

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

MAC Secondary Outcomes	2019	National (2019)	2022	National (2022)
Key Stage 4				
Progress 8	0.69	-0.03	0.36	-0.03
Attainment 8	51.6	46.7	50.80	48.7
English A8	10.8	9.9	10.9	10.4
Maths A8	9.9	9.1	9.5	9.4
Ebacc A8	14.6	13.5	14.9	14.2
Open A8	16.4	14.2	15.5	14.7
% Achieving grades 4+ in RE	75.2	71.0	79.5	69.0
% Achieving grades 4+ in English & maths	73.0	64.6	72.7	68.6
% Achieving grades 5+ in English & maths	50.9	43.0	55.8	49.6
Key Stage 5				
APS per A Level Entry	34.21	39.51	36.84	
Average Grade per A Level Entry	C+	B	B-	
APS per Applied General Entry	32.7	31.25	35.57	
Average Grade per Applied General Entry	Dist-	Dist-	Dist	
Best 3 A Levels Average Points	38.24	33.26	40.97	

KS1 & KS2

Across the MAC, pupils achieved significantly above the National average in reading, writing and mathematics. This achievement was replicated with the percentage of pupils achieving greater depth also achieving significantly above the National average. Pupils progress is closely tracked and supported in the transition from KS1- KS2 to ensure that they build on this excellent foundation. The result of the shared focus on raising standards saw pupils across the MAC achieve significantly above the National average in reading, writing and mathematics at KS2 as well as at greater depth.

The MAC works closely with all schools to ensure a robust and effective pupil premium strategy is in place to support the most vulnerable pupils. This is monitored closely throughout the academic year. The KS2 results for our pupil premium students achieving expected progress was higher than the results for non-pupil premium pupils Nationally in four out of our 5 primary schools. This is a significant achievement and exemplary of our core value to seek 'Excellence' in every pupil.

These results are a testament to the strong working partnership across the MAC to ensure a moderation of standards allows all pupils to achieve their very best and is a strong assurance that the MAC is achieving value for money in the education it provides.

KS4 & KS5

The KS4 results across the MAC were significantly above the National average, with two of the three secondary schools achieving progress 8 scores placing them in the top 10% of school's nationally. The attainment 8 grades at KS4 also remained strong, with results significantly above the National average in 4+ and 5+ English, Maths and RE. The percentage of students being entered for the Ebacc continues to rise as part of the MAC curriculum commitment to a broad and challenging curriculum offer.

The KS5 results remained consistently strong across the MAC with the results being broadly in line with the National average. This is extremely pleasing since two of the three KS5 providers within the MAC have re-launched their KS5 offer in the last 18 months, with St Benedict's changing from IB to A Level, and Trinity re-opening it's sixth form in September 2021.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The curriculum offer has broadened and strengthened in recent years through the offer of more vocational pathways through the 'Your Future Life' collaboration. It is particularly pleasing to see the average grade across the MAC for vocational qualifications is now a Distinction.

Related Parties and other Connected Charities and Organisations

None of the directors have been paid remuneration or have received other benefits from employment with the MAC. The principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Owing to the nature of the MAC and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest.

Transactions were undertaken with the Archdiocese of Birmingham - Diocesan Education Service, who appoint the Foundation Directors of the Board to the value of £16,372.

£7,195 was spent on support services from other schools within the Diocese of Birmingham and. Our Lady of the Magnificat also sold services to other schools within the Diocese of Birmingham to the value of £19,868. This is analysed below:

Name of related party	Services purchased	Services sold	Nature of services	Balance as at 31.8.22
Birmingham Diocese	16,372		The annual charge contributes to the costs of those aspects of the DES work in Catholic education that can only be provided by the Diocese.	-
Bishop Challoner Catholic College	2,640		Staff services	-
St Josephs Catholic Primary	1,225		Training	-
St Josephs Catholic Primary	150		Support with PE	-
Sacred Heart Catholic Primary	3,180		SEND and EYFS reviews	-
Sacred Heart Catholic Primary		19,509	Premises, health and safety and school business manager services	-
Blessed Edward		359	IT services	-
Totals	23,567	19,868		-

All services have been recharged at cost.

J Fletcher, spouse of a director, is employed by the MAC. The appointment was made in open competition and the related director was not involved in the decision-making process regarding the appointment. The staff member is paid within the normal scale range for their role and receive no special treatment because of their relationship to the director.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the MAC's financial regulations and normal procurement procedures relating to connected and related party transactions.

Owing to the nature of the MAC and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. No such related party transactions took place in the financial period.

Engagement with employees (including disabled persons)

No person is discriminated against due to a disability, be that at recruitment or whilst during employed by the Our Lady of The Magnificat MAC. Reasonable adjustments are made to the workplace to ensure no person is put at a disadvantage and consideration made of their circumstances.

The Occupational Health team provide guidance to the Our Lady Of The Magnificat MAC in ensuring all employees needs are met and counselling and other services are available to support the continuance of good mental health within the MAC

Regular briefings from the Executive team take place with staff to inform them of the current position of the company, its aims, and aspirations, planned growth, any other material changes and also future plans. This includes the financial position of the company.

Engagement with suppliers, customers and others in a business relationship with the MAC

As a large employer across two counties, we recognise that our relationships with partners and suppliers is key to our effectiveness. The MAC actively seeks to engage in service reviews with all key suppliers where we will review both value for money and the balance between in-house and external service provision. We seek to foster open, professional relationships with all suppliers to ensure an ongoing, efficient review of service provision. An example of this is this is the outsourcing of payroll from the Holy Family MAC as it merged into Our Lady of Lourdes MAC as part of a tender process.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the MAC has adequate resources to continue in existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details reference the adoption of the going concern basis can be found in the statement of accounting policies.

FINANCIAL REVIEW

The MAC derives its main income from the DfE, via the ESFA, in the form of annual grants which are restricted in purpose. These grants can be seen along with the associated expenditure as Restricted Funds in the Statement of Financial Activities.

The MAC also receives grants for the purpose of purchasing fixed assets and for dealing with the items classed as priority on it's asset management plans. Due to expansion, this year was the first time that school capital funding (SCA) funding was allocated to the MAC so that it no longer had to bid for Condition Improvement Fund (CIF) grants. These are shown as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund is reduced by annual depreciation charges over the useful life of the assets concerned.

During the twelve-month period of 1st September to 31st August 2022, the MAC received a total income of £22,805,933 (which includes £4,578,213 of deficit funds inherited upon the transfer of the Holy Family Catholic Multi Academy) and incurred total expenditure of £29,064,385.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The deficit for the year, including all funds is £4,846,548 and the balance of reserves at the year end, including actuarial pension movements was £736,955.

The in-year operating surplus for our Lady of the Magnificat Multi Academy Company, excluding fixed assets and actuarial pension adjustments, was £896,773 and the balance of operating reserves was £2,328,121. The net book value of fixed assets at 31st August 2022 was £2,486,139 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the MAC.

The land and other assets were transferred from the Holy Family Catholic Multi Academy to the Diocese of Birmingham on merger into the to the Our Lady of the Magnificat Multi Academy Company. The leasehold land and buildings were valued at £23,291,537 on 31st August 2021.

The MAC has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred upon conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 21 to the financial statements. This is a material pension liability arising from obligations to a defined benefit pension scheme on the financial position of the MAC. This company will continue to contribute towards the deficit reduction plan as agreed with the actuaries for those schools within Worcestershire, as well as making its employer contributions based on the current service of employees. FRS102 statements are received for the schools within the MAC on an annual basis.

Reserves Policy

The Directors review reserves both in amount and nature annually. This review includes the nature of income and expenditure streams and the need to match income with future commitments. The Directors consider all the individual schools within the MAC and look at the uncertainty and key risks associated with future income streams as well as costs.

All reserves are held in accordance with the requirements laid down in the Master Funding Agreement and the Academies Handbook. As per the MAC's policy the reserves level is determined when the budget is set annually in the summer term. The target set as an appropriate minimum level of reserves is five weeks of total staffing costs across the MAC totalling £1,895,000. When the policy is next reviewed if this level has been achieved then a maximum level will be considered. The level has been set to protect against key financial risks and being prudent has never been more important when there are many external economic challenges facing both the economy and education.

The minimum level of reserves is ultimately limited by the need to maintain a positive net assets position for the MAC.

- Each individual school should hold 2% of their annual income as reserves.
- The Executive team will review the opportunities and risks at an Academy level in order to assess the required level of resources needed to meet anticipated and unanticipated needs in the short and long term;
- Each individual school will maintain the in year surplus target as outlined by the Executive team.
- Individual Academy's will be allowed to carry forward a maximum of 2% annual surplus each year. Any amount in excess of this will be held as a central contingency to meet the target set by the Directors of 5 weeks of total salary.
- The MAC will maintain a central contingency in order to fund any further resource needs. This will not exceed a maximum of 5 weeks of the total annual salary bill for the multi academy. Any amounts in excess of this 5-week contingency will be invested back into individual academies on a need's basis approved by the Directors.
- The central contingency fund may be used to fund any short-term resource needs as approved by the Directors.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

This does not apply to the two primary schools St Mary's Catholic primary school in Broadway and Our Lady's Catholic primary school in Alcester. This is due to the difficult financial position of St Mary's Broadway which has been challenging since it became part of the Holy Family MAC in 2017. There was a deficit balance brought into the MAC which was repaid by instalments in full to the ESFA.

This academic year has seen substantial change within this small school, and it is now led by an Executive Headteacher who also manages St Mary's Evesham. The new leadership structure and support from a neighbouring school should bring strength and financial stability to the school.

Our Lady's Catholic primary school in Alcester has also set a deficit in year budget. This school was graded Requires Improvement by Ofsted and has been a focus of the school improvement team with our Lady of the Magnificat. This has resulted in an Executive Head being put in place and additional funds being spent to improve the standards within the school. The expectation is for all schools to be set a surplus budget in 2022/23.

The value of free reserves held as of 31 August 2022 amounts to £2,328,121, this is an increase of £1,199,499 from £1,128,622 as at 31 August 2021.

The defined benefit pension scheme reserve continues to have a negative balance. The effect of the deficit position of the pension scheme is that the MAC is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the MAC's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the MAC.

Investment Policy

The MAC has a Reserves policy which states that reserve funds will be held within Lloyds bank or in other instruments and investments as agreed from time to time by the Board of Directors.

A new investment policy will be presented to the board in the next academic year in order to ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment.

PRINCIPAL RISKS AND UNCERTAINTIES

The MAC has considerable reliance on continued government funding through the ESFA. The MAC's revenue is ultimately public funded, and this level of requirement is expected to continue with all funding from this source. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

This risk is mitigated in several ways:

- By ensuring the MAC is rigorous in delivering high quality education and training and the continued focus of school improvement throughout the MAC which is prevalent in its academic results. This will maintain or increase pupil numbers.
- Considerable focus and investment are placed on maintaining and managing key relationships with stakeholders.
- Through continued carefully managed growth to ensure future sustainability following the successful merger to date and addition of five new schools to the MAC from September 2022.
- From careful succession planning to ensure stability across the schools within the MAC. This is supported by an in-house aspiring Leadership programme.
- Regular meetings of the Risk & Audit committee for Directors to understand the position across the schools, nationally and across education and in a timely manner to further mitigate any risks.

There has been a reasonable in year surplus generated across the MAC and the exposure to financial risk is low. There are no credit agreements except for operating leases and cashflow is being reviewed monthly to ensure continued liquidity growth.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The defined benefit pension scheme reserve continues to have a negative balance. The effect of the deficit position of the pension scheme is that the MAC is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the MAC's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the MAC.

FUNDRAISING

The Parent Teacher Associations and Friends of the MAC schools generate income through activities involving parents and the community. This income is then shared with the schools into targeted areas such as furniture, minibus maintenance and specialised learning equipment and resources.

When fundraising events take place in the schools across the MAC the guidelines within the Charity Commission publication "Charity Fundraising – a guide to trustee duties (CC20)" are followed.

The schools raise funds without the assistance of any commercial fundraisers for charities and these are transferred to the chosen charities. Under no circumstances does the MAC put any undue pressure on any person to donate.

STREAMLINED ENERGY AND CARBON REPORTING

Measures taken to improve energy efficiency in the period:

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	5,167,312	2,985,606
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	3,612,830 1,551,987 2,495	2,006,963 978,643
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Total scope 1	661.73	369.02
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	329.53	228.15
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee-owned vehicles	9.67	0
Total gross emissions in metric tonnes CO2e	1001	597
<u>Intensity ratio</u> Tonnes CO2e per pupil	4.15 (4,152 pupils)	4.94 (2,955 pupils)

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Measures taken to improve energy efficiency

The MAC is constantly reviewing its energy efficiency as part of its capital asset management plans and is also being prudent in its use.

It has also made a bid for funding to support a decarbonisation project at its largest schools, St Augustine's Catholic Secondary School in Redditch. This considerable project is for the installation of air source heat pumps and a new building management control system.

PLANS FOR FUTURE PERIODS

In September 2022, five new schools joined the MAC as part of the wider Archdiocese academy strategy. This brought the total number of schools within the MAC to 17. The Directors of the company are continuing to work with the Archdiocese and the Department for Education to welcome a further 7 schools into the MAC within the next 2 years.

Rationale

The ambition of the MAC expansion is to create the leading MAC within the Archdiocese of Birmingham and one that is Nationally recognised as being a centre of excellence for Catholic education and leadership. This proposal is fully supported by the Archdiocese of Birmingham, who have identified a total of 24 schools which could join the merged MAC, making it significantly larger and more diverse than any other MAC within the Archdiocese.

Building capacity to achieve growth strategy

The MAC has secured Trust Capacity improvement funding to further provide capacity in both the school improvement section of the MAC and the operations team. The central team retains oversight of all compliance activity including finance, construction, and human resources. The MAC central team commission external reviews on an annual basis in safeguarding, teaching standards, health and safety and site & premises to support the management teams on each site in fulfilling their duties. The external contracts allow the central team to grow sustainably without creating a large central function.

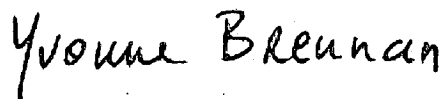
AUDITORS

In so far as the Directors are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' report, incorporating a strategic report, approved by order of the Board of Directors, as the company directors, on 7th December 2022 and signed on the board's behalf by:



Y Brennan
Chair of Directors

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

As Directors we acknowledge we have overall responsibility for ensuring that Our Lady of the Magnificat Multi Academy Company 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 Directors has delegated the day-to-day responsibility to the Catholic Senior Education Leader (CSEL) 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 Our lady of the Magnificat Multi Academy Company and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met six times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Yvonne Brennan, Chair	6	6
Noel Anthony Burke	5	6
Mike Connolly	5	6
Michael Fletcher	5	6
Kari Gordon	6	6
Bernadette Mary Mackie	6	6
Michael Anthony Christopher Tilt	6	6
Victoria Wells	5	6
Christopher Bird	4	6

The composition of the Board changed following new appointments with the merger of the Holy Family Catholic Multi Academy Company on 1st September 2021.

Governance Review

The Board of Directors undertook an audit of skills in 20/21 as well as an external review of governance. The key challenge for the Board in 21/22 was the growth and expansion of the MAC.

The Board of Directors and the MAC undertook an external review of governance in 21/22. This was commissioned by the DfE from the National Governance Association (NGA) as part of the expansion of the MAC. The review was led by an experienced professional, a National leader of Governance, Ruth Agnew.

The Finance and Resources is a sub-committee of the main Board of Directors. Its purpose is set out in the committee's terms of reference. The committee met six times. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Yvonne Brennan	5	6
Michael Fletcher	4	6
Bernadette Mary Mackie	6	6
Michael Anthony Christopher Tilt	6	6
Christopher Bird	4	6

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Risk and Audit Committee is a sub-committee of the main Board of Directors. Its purpose is to set out in the committee's terms of reference. The committee met six times during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Noel Anthony Burke	5	6
Bernadette Mary Mackie	6	6
Michael Anthony Christopher Tilt	6	6
Christopher Bird	5	6
Mike Fletcher	1	1

REVIEW OF VALUE FOR MONEY

As accounting officer, the Catholic Senior Executive leader has responsibility for ensuring that the MAC delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the MAC's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved including the use of benchmarking data where appropriate.

The accounting officer of Our Lady of the Magnificat MAC accepts that they are responsible and accountable for ensuring the MAC delivers good value in the use of public resources. They are aware of the guide to the academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the MAC has delivered improved value for money during the year by:

- The joint retendering of core services for energy contracts, catering and building projects
- Joint procurement across the MAC of all IT devices including laptops, printers and tablets and reprographic hardware
- Central review and management of all sites and services across the MAC to ensure health and safety compliance on behalf of the Directors. This has reduced the need for external contractors.
- Implementing a robust model of Integrated Curriculum led financial planning to provide appropriate staffing and resources across the MAC schools.
- Maintaining adequate reserves to ensure the future security of the MAC in line with the expectations outlined by the ESFA.

The examination results and the progress of pupils remains strong within the context of efficient use of school resources. It is noted that due to COVID pandemic, the external examinations this year were the first published and externally graded for two years. Despite this, all our KS2 attainment results were above the national average. All the progress figures at KS4 were above National average with two of our secondary schools achieving results within the top 5% in the country.

The review by the accounting officer is supported by:

- Internal scrutiny report
- Reports from Chief Financial Officer and the Head of Operations.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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 on-going process designed to identify and prioritise the risks to the achievement of MAC 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 Our Lady of Lourdes MAC for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the MAC is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating, and managing the MAC's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the Board of Directors every half term through the separate Risk & Audit committee. The Executive team update and report on the central risk register and discuss with Directors current risks and strategies being deployed to mitigate these risks. This subcommittee reports back to the Full Board every term.

THE RISK AND CONTROL FRAMEWORK

On an annual basis the auditor reports to the Board of Directors, through the Risk & Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. These are also reported at each meeting by the Executive team.

The MAC'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.

It includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- setting targets to measure financial and other performance
- regular reviews by the finance and estates committee 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
- identification and management of risks

The Board of Directors has considered the need for a specific Internal Audit function and has decided not to appoint specific Internal Audit staff. The decision was made to buy in an internal audit service from Strictly Education. This decision was made by Risk & Audit Committee to perform additional internal checks during the year 2021/22.

The internal Auditors' role includes advising on financial matters and performing a range of checks on the MAC's financial systems. In particular, the internal checks carried out in the current period included the following three areas:

- **Internal monthly management accounts** – Reviewing the process of month end closedown to ensure that the monthly reports and information provided to the Board were as accurate and

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

consistent as the annual accounts. This ensures that budgets are actively managed by budget holders. **SUBSTANTIAL ASSURANCE**

Remedial action: Ratify terms of reference for the Finance & Resources committee, introduce more comprehensive end of month checklist for the monthly accounts and hold more regular meetings with budget holders

- **External grants with a focus on Pupil Premium** These internal audits checks were focussed on ensuring that income had been correctly allocated and review other income received across the schools, **SUBSTANTIAL ASSURANCE**

Remedial action: A new Letting policy is in place and as it embeds across the next year more consistency will be introduced across the schools across other income categories.

- **Capital projects and the tender process.** This involved reviewing policies and ensuring that purchases were tested for both probity and regularity controls. The fieldwork also reviewed the countersignatures and division of duties. **SUBSTANTIAL ASSURANCE**

Remedial action: Adopt the use of the Department of education approved framework, review policy documents more regularly and perform additional benchmarking.

Remedial action following the internal audit reports focus on the areas listed above and these are being implemented over the next two academic terms.

On an annual basis, when discussing the annual accounts, the Auditors report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

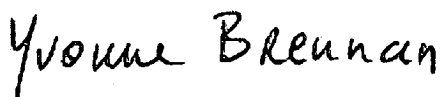
REVIEW OF EFFECTIVENESS

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

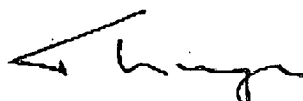
- The work of the internal auditor.
- the work of the external auditors.
- the school resource management tool including Curriculum Led Financial Planning.
- the work of the executive managers within the Company who have responsibility for the development and maintenance of the internal control framework.
- Reports to the Director's sub-committees
- Reports from Headteachers to local governing bodies who have responsibility for the maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Directors 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 Directors and signed on 7th December 2022 on their behalf by:



Y Brennan
Chair of Directors



T Leverage
Accounting Officer

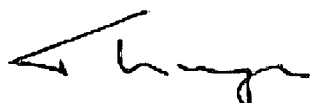
**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Our Lady of the Magnificat Multi Academy Company I have considered my responsibility to notify the Multi Academy Company Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi Academy Company, under the funding agreement in place between the Multi Academy Company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022.

I confirm that I and the Multi Academy Company Board of Directors are able to identify any material irregular or improper use of all funds by the Multi Academy Company, or material non-compliance with the terms and conditions of funding under the Multi Academy Company's funding agreement and the Academies Trust Handbook 2022.

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



T Leverage
Accounting Officer
Date: 7 December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

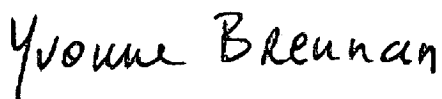
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors and signed on its behalf by:



Y Brennan
Chair of Directors
Date: 7th December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY**

Opinion

We have audited the financial statements of Our Lady of the Magnificat Multi Academy Company (the 'Multi Academy Company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Company's affairs as at 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 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 Multi Academy Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Multi Academy Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

Responsibilities of Directors

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Multi Academy Company's performance;
- results of our enquiries of management and the Director board, including the committees charged with governance over the Multi Academy Company's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Multi Academy Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Multi Academy Company in relation to these areas;
- how the Multi Academy Company ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Multi Academy Company will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Multi Academy Company ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Multi Academy Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Multi Academy Company's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable Multi Academy Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Multi Academy Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Multi Academy Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 20 December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF THE MAGNIFICAT MULTI ACADEMY COMPANY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27th May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Our Lady of the Magnificat Multi Academy Company during the year 1 September 2021 to 31 August 2022 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 Our Lady of the Magnificat Multi Academy Company and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Our Lady of the Magnificat Multi Academy Company and 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 Our Lady of the Magnificat Multi Academy Company and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Our Lady of the Magnificat Multi Academy Company's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Our Lady of the Magnificat Multi Academy Company's funding agreement with the Secretary of State for Education dated 18th August 2021 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 Multi Academy Company's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the directors to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF THE MAGNIFICAT MULTI ACADEMY COMPANY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors

Date: 20 December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants:	3					
Transfer from existing academies		655,353	(5,963,634)	730,068	(4,578,213)	-
Transfer from Local Authority		-	-	-	-	(1,643,077)
Other donations and capital grants		312,562	-	976,479	1,289,041	310,224
Other trading activities	5	422,324	-	-	422,324	178,736
Charitable activities	4	1,350,843	24,321,938	-	25,672,781	15,551,492
Total income		2,741,082	18,358,304	1,706,547	22,805,933	14,397,375
Expenditure on:						
Cancellation of long leases		-	-	-	-	19,683,062
Charitable activities	7	885,798	25,736,096	2,442,491	29,064,385	16,653,621
Teaching schools		-	-	-	-	108,547
Total expenditure		885,798	25,736,096	2,442,491	29,064,385	36,445,230
Net income/(expenditure)		1,855,284	(7,377,792)	(735,944)	(6,258,452)	(22,047,855)
Transfers between funds	18	(375,806)	-	375,806	-	-
Net movement in funds before other recognised gains/(losses)		1,479,478	(7,377,792)	(360,138)	(6,258,452)	(22,047,855)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	11,105,000	-	11,105,000	(26,000)
Net movement in funds		1,479,478	3,727,208	(360,138)	4,846,548	(22,073,855)
Reconciliation of funds:						
Total funds brought forward		717,105	(8,843,483)	4,016,785	(4,109,593)	17,964,262
Net movement in funds		1,479,478	3,727,208	(360,138)	4,846,548	(22,073,855)
Total funds carried forward		2,196,583	(5,116,275)	3,656,647	736,955	(4,109,593)

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

The notes on pages 28 to 56 form part of these financial statements.

OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09064485

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	2,486,139	3,972,041
		<u>2,486,139</u>	<u>3,972,041</u>
Current assets			
Debtors	15	1,175,389	651,745
Cash at bank and in hand		4,736,939	1,888,435
		<u>5,912,328</u>	<u>2,540,180</u>
Creditors: amounts falling due within one year	16	(2,316,512)	(1,366,814)
Net current assets		<u>3,595,816</u>	<u>1,173,366</u>
Total assets less current liabilities		<u>6,081,955</u>	<u>5,145,407</u>
Net assets excluding pension liability		<u>6,081,955</u>	<u>5,145,407</u>
Defined benefit pension scheme liability	25	(5,345,000)	(9,255,000)
Total net assets		<u><u>736,955</u></u>	<u><u>(4,109,593)</u></u>
Funds of the Multi Academy Company			
Restricted funds:			
Fixed asset funds	18	3,656,647	4,016,785
Restricted income funds	18	228,725	411,517
		<u>3,885,372</u>	<u>4,428,302</u>
Restricted funds excluding pension asset	18	3,885,372	4,428,302
Pension reserve	18	(5,345,000)	(9,255,000)
Total restricted funds	18	<u>(1,459,628)</u>	<u>(4,826,698)</u>
Unrestricted income funds	18	<u>2,196,583</u>	<u>717,105</u>
Total funds		<u><u>736,955</u></u>	<u><u>(4,109,593)</u></u>

The financial statements on pages 25 to 56 were approved by the Directors, and authorised for issue on 7th December 2022 and are signed on their behalf, by:

Yvonne Brennan

Yvonne Brennan
Chair of Directors

The notes on pages 28 to 56 form part of these financial statements.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

		2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,164,929	419,158
Cash flows from investing activities	21	(261,191)	(205,777)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,903,738	213,381
Cash and cash equivalents at the beginning of the year		1,888,435	1,616,180
Cash transferred on conversion to an academy		944,766	58,874
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22, 23	<u>4,736,939</u>	<u>1,888,435</u>

The notes on pages 28 to 56 form part of these financial statements

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

A summary of the principal accounting policies adopted, judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Multi Academy Company, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The Financial Statements have been prepared under the historical cost convention.

1.2 GOING CONCERN

The board of directors has a reasonable expectation that the Multi Academy Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the Financial Statements.

The MAC has produced a three-year budget forecast which demonstrates a surplus for the financial year ending the 31st August 2022. A sustainability plan and review program are in place to ensure the individual school's budget within their General Annual Grant income. The overall surplus for the year was £896,773, and the free reserves carry forward as at 31 August 2022 are £2,328,121. The Board continues to support St Mary's Catholic Primary School (Broadway) to overcome their current deficit position. Projected budget outturns indicate that the deficit at this school will be further reduced in the 2022/23 period.

1.3 INCOME

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

• **Grants**

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

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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.3 INCOME (CONTINUED)

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Multi Academy Company has provided the goods or services.

• **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

• **Transfer of existing academies into the Multi Academy Company**

Where assets and liabilities are received on the transfer of an existing academy into the Multi Academy Company, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Multi Academy Company. An equal amount of income is recognised for the transfer of an existing academy into the Multi Academy Company within 'Income from Donations and Capital Grants' to the net assets acquired.

• **Donated fixed assets (excluding transfers on conversion or into the Multi Academy Company)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi Academy Company's accounting policies.

1.4 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer or economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. All resources expended are inclusive of irrecoverable VAT, where applicable.

The Multi Academy Company is incurring Apprenticeship Levy which will be used towards future training. At the balance sheet date, the MAC carries forwards the value of unused Apprenticeship Levy within Other Debtors where there is a reasonable expectation that appropriate training will be incurred in the future periods against which the levy charge can be used.

Governance costs

These include the costs attributable to the MAC's compliance with the constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses.

Allocation and apportionment of costs

The MAC receives funding allocation from the ESFA. Each school within the MAC is allocated their funding based on the funding formula. The schools within the MAC contribute to any central costs that are occurred. These costs are agreed by all schools. The calculation is based on 5% of each schools General Annual Grant, adjusted specific sport costs relating to an individual school.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.4 EXPENDITURE (CONTINUED)

All resources expended are inclusive of irrecoverable VAT

1.5 TANGIBLE FIXED ASSETS

Where the MAC has been granted use of school buildings from the Diocese of Birmingham under Supplementary Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of the ownership remain with the Diocese. In such instances, land and buildings are not included on the balance sheet of the MAC.

The Supplement Agreement includes the right for the Diocese of Birmingham Trustees to give no less than 2 years written notice to the MAC and Secretary State of Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

The MAC includes a notional donation and corresponding notional rent expenses for the use of these assets.

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 the following bases:

Site improvements	- 2 years straight-line
Fixtures & Fittings	- 5 years straight-line
Computer equipment	- 3 years straight-line

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.

Hire purchase and leasing commitments

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.6 TAXATION

The MAC 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 the UK corporation tax purposes. Accordingly, the MAC is potentially exempt from the taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 or 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.

Any income generated from non-primary purpose trading by the MAC will be subject to corporation tax. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. There is no tax due in the current financial year.

1.7 PROVISIONS

Provisions are recognised when the MAC has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle 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 the interest payable and similar charges.

1.8 LIABILITIES

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

1.9 FINANCIAL INSTRUMENTS

The Multi Academy Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Company and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Multi Academy Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.11 FUND ACCOUNTING

Unrestricted income funds can be used in accordance with the charitable objectives at the discretion of the Directors.

Restricted funds can only be used for particular restricted purposes within the objectives of the MAC. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the Financial Statements

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. 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 Multi Academy Company 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 net realisable value of tangible fixed assets and the useful economic life of tangible fixed assets are subject to levels of judgment which could have a material impact on the annual depreciation charge to the Financial Statements

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
DONATIONS					
Transfer in of existing academies into the MAC	655,353	(5,963,634)	730,068	(4,578,213)	-
Transfer in on conversion to MAC	-	-	-	-	(1,643,077)
Donations	312,562	-	-	312,562	186,314
Capital Grants	-	-	976,479	976,479	123,910
SUBTOTAL	312,562	-	976,479	1,289,041	310,224
TOTAL 2022	967,915	(5,963,634)	1,706,547	(3,289,172)	(1,332,853)
TOTAL 2021	161,703	(1,893,113)	398,557	(1,332,853)	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Multi Academy Company's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DfE/ESFA GRANTS				
General Annual Grant	-	21,628,849	21,628,849	12,793,518
OTHER DfE/ESFA GRANTS				
Pupil Premium	-	733,515	733,515	449,013
Start up Grants	-	125,000	125,000	25,000
Universal Infant Free School Meals	-	228,330	228,330	135,605
Recovery Premium	-	92,560	92,560	-
Rates reclaim	-	26,148	26,148	70,192
Schools Supplementary Grant	-	246,913	246,913	-
PE & Sports grant	-	183,045	183,045	49,865
Teachers Pay and Pension Grant	-	116,043	116,043	644,532
Trust Capacity Funding	-	100,000	100,000	93,152
Summer School	-	80,835	80,835	59,402
School led tutoring	-	80,427	80,427	-
Mass testing and vaccination	-	47,051	47,051	351,784
Others	-	40,019	40,019	14,024
	-	23,728,735	23,728,735	14,686,087
OTHER GOVERNMENT GRANTS				
High Needs -SEN	-	472,274	472,274	350,388
Other LA	-	14,319	14,319	10,755
Other government grants	-	47,885	47,885	-
	-	534,478	534,478	361,143
SALES OF GOODS AND SERVICES	770,258	10,351	780,609	466,748
OTHER FUNDING				
Catering	494,259	-	494,259	31,363
Sale of Uniform	3,696	-	3,696	184
Clubs and Music	82,630	-	82,630	5,967
Supply teacher insurance	-	48,374	48,374	-
	580,585	48,374	628,959	37,514
TOTAL 2022	1,350,843	24,321,938	25,672,781	15,551,492
TOTAL 2021	501,992	15,049,500	15,551,492	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Multi Academy Company's charitable activities (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the charitable company's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified in line with current year.

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	112,534	112,534	56,336
Trips	309,790	309,790	122,400
	<u>422,324</u>	<u>422,324</u>	<u>178,736</u>
TOTAL 2021	<u>178,736</u>	<u>178,736</u>	

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Cancellation of long term leases	-	-	-	-	19,683,062
Education:					
Direct costs	16,292,814	2,176,408	1,992,894	20,462,116	11,878,878
Allocated support costs	3,978,670	1,966,363	2,657,236	8,602,269	4,774,743
Teaching school	-	-	-	-	108,547
	<u>20,271,484</u>	<u>4,142,771</u>	<u>4,650,130</u>	<u>29,064,385</u>	<u>36,445,230</u>
TOTAL 2021	<u>13,365,569</u>	<u>978,698</u>	<u>22,100,963</u>	<u>36,445,230</u>	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Education	885,798	28,178,587	29,064,385	16,653,621
TOTAL 2021	493,312	16,160,309	16,653,621	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	20,462,116	8,602,269	29,064,385	16,653,621
TOTAL 2021	11,878,878	4,774,743	16,653,621	

Analysis of direct costs

	Education 2022 £	Total Funds 2022 £	Total Funds 2021 £
Pension finance costs	141,850	141,850	-
Staff costs	15,735,481	15,735,481	10,723,146
Depreciation	2,057,566	2,057,566	279,125
Educational supplies	1,301,731	1,301,731	489,137
Other costs	133,627	133,627	58,144
Agency staff	421,433	421,433	133,523
Recruitment and support	117,585	117,585	65,646
Maintenance of premises and equipment	351,466	351,466	63,678
Technology costs	174,475	174,475	29,375
Educational consultancy	26,902	26,902	37,104
	20,462,116	20,462,116	11,878,878

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	124,150	124,150	-
Staff costs	3,978,670	3,978,670	2,457,498
Depreciation	71,305	71,305	27,713
Other costs	76,259	76,259	28,768
Agency staff	135,900	135,900	6,907
Recruitment and support	297,517	297,517	86,723
Maintenance of premises and equipment	937,342	937,342	365,426
Cleaning	233,747	233,747	196,646
Rent and rates	369,685	369,685	72,839
Energy costs	425,589	425,589	211,545
Insurance	84,252	84,252	53,511
Catering	326,900	326,900	230,628
Technology costs	569,602	569,602	126,379
Office overheads	561,544	561,544	300,043
Professional fees	273,745	273,745	402,927
Legal Fees	36,682	36,682	8,511
Bank interest and charges	4,168	4,168	1,173
Loss on disposal of fixed assets	14,993	14,993	-
Governance costs	80,219	80,219	197,506
	8,602,269	8,602,269	4,774,743

The prior year numbers have been reclassified between categories to provide comparative figures for the current year.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	100,045	58,774
Depreciation of tangible fixed assets	2,128,870	328,472
Loss on disposal of fixed assets	14,993	-
Fees paid to auditors for:		
- audit	31,700	36,810
- other services	3,550	4,590

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	14,456,759	9,588,839
Social security costs	1,229,166	823,498
Pension costs	4,028,226	2,768,307
	<u>19,714,151</u>	<u>13,180,644</u>
Supply teacher costs	557,333	184,925
	<u><u>20,271,484</u></u>	<u><u>13,365,569</u></u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	249	159
Support Staff	316	219
	<u><u>565</u></u>	<u><u>378</u></u>

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	226	149
Support Staff	187	126
	413	275

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	12	8
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	3	1
In the band £130,001 - £140,000	1	-

d. Key management personnel

The key management personnel of the Multi Academy Company comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Multi Academy Company was £1,573,083 (2021 - £811,102).

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Central services

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

- IT support services
- Financial services
- Legal services
- Education support services
- HR support services
- Data Protection Officer
- Chief Accounting Officer
- Clerking services
- Estate and premises support services

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

A flat rate of 5% of the Individual Academy's GAG income for the year (2021: 5%) plus any specific additional charges.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
St Augustine's Catholic High School	447,796	401,950
St Bede's Catholic Middle School	167,648	178,127
Our Lady of Mount Carmel Catholic First School	84,145	85,710
St Peter's Catholic First School	70,736	59,330
St Thomas More Catholic First School	45,498	48,775
Trinity Catholic School	174,218	104,443
St Benedict's Catholic High School	220,902	-
St Gregory's Catholic Primary School	52,183	-
St Mary's Catholic Primary School (Evesham)	44,332	-
St Mary's Catholic Primary School (Henley)	34,267	-
Our Lady's Catholic Primary School	30,014	-
St Mary's Catholic Primary School (Broadway)	27,395	-
TOTAL	1,399,134	878,335

12. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £245 were reimbursed or paid directly to 2 Directors (2021 - £Nil to any Director).

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Directors' and Officers' insurance

The Multi Academy Company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on MAC business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme membership.

14. Tangible fixed assets

	Assets under construction £	Furniture and equipment £	Site improvements £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2021	-	890,908	3,617,756	865,215	5,373,879
Additions	-	171,313	175,674	24,469	371,456
Transferred on conversion	111,980	442,038	-	108,569	662,587
Disposals	(111,980)	(31,841)	-	-	(143,821)
At 31 August 2022	-	1,472,418	3,793,430	998,253	6,264,101
DEPRECIATION					
At 1 September 2021	-	619,080	135,014	647,744	1,401,838
Charge for the year	-	173,973	1,824,942	129,955	2,128,870
Transferred on conversion	-	200,710	-	63,392	264,102
On disposals	-	(16,848)	-	-	(16,848)
At 31 August 2022	-	976,915	1,959,956	841,091	3,777,962
NET BOOK VALUE					
At 31 August 2022	-	495,503	1,833,474	157,162	2,486,139
At 31 August 2021	-	271,828	3,482,742	217,471	3,972,041

The MAC occupies land and building under the control of the Diocese. These assets do not appear on the fixed asset register, instead a notional payment is made in respect of the use of these assets along with an accompanying donation from the diocese.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Debtors

	2022 £	2021 £
Trade debtors	88,694	168,642
Prepayments and accrued income	976,667	445,163
VAT recoverable	110,028	37,940
	<u>1,175,389</u>	<u>651,745</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	419,054	229,818
Other taxation and social security	316,964	234,865
Pension fund loan payable	333,640	247,498
Other creditors	58,772	30,843
Accruals and deferred income	1,188,082	623,790
	<u>2,316,512</u>	<u>1,366,814</u>

	2022 £	2021 £
Deferred income at 1 September 2021	277,718	247,220
Resources deferred during the year	191,205	277,718
Amounts released from previous periods	(277,718)	(247,220)
	<u>191,205</u>	<u>277,718</u>

17. Financial instruments

	2022 £	2021 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>4,736,939</u>	<u>1,888,435</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	717,105	2,741,082	(885,798)	(375,806)	-	2,196,583
RESTRICTED GENERAL FUNDS						
Teaching School	208	-	(208)	-	-	-
General Annual Grant	411,309	21,749,215	(22,028,986)	-	-	131,538
Start Up Grants	-	125,000	(78,452)	-	-	46,548
Pupil Premium	-	733,515	(733,515)	-	-	-
UIFSM	-	228,330	(228,330)	-	-	-
PE & Sports Grant	-	183,045	(132,406)	-	-	50,639
Teachers Pay and Pension grant	-	116,043	(116,043)	-	-	-
LA SEN	-	472,274	(472,274)	-	-	-
SSG	-	246,913	(246,913)	-	-	-
Other DfE revenue grants	-	476,481	(476,481)	-	-	-
Other revenue grants	-	62,204	(62,204)	-	-	-
Other Restricted	-	49,284	(49,284)	-	-	-
Pension reserve	(9,255,000)	(6,084,000)	(1,111,000)	-	11,105,000	(5,345,000)
	<u>(8,843,483)</u>	<u>18,358,304</u>	<u>(25,736,096)</u>	<u>-</u>	<u>11,105,000</u>	<u>(5,116,275)</u>

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
DFC	1,446,836	511,088	(1,942,472)	192,710	-	208,162
GAG	665,444	-	(74,940)	-	-	590,504
Other capital grants	66,640	-	(17,541)	-	-	49,099
Conversion	205,865	-	(62,153)	-	-	143,712
Council	1,632,000	-	(13,600)	-	-	1,618,400
SCA	-	868,983	(236,943)	-	-	632,040
S106	-	131,582	-	83,148	-	214,730
Sale of Priest House	-	200,000	-	-	-	200,000
CIF	-	(5,106)	(94,842)	99,948	-	-
	<u>4,016,785</u>	<u>1,706,547</u>	<u>(2,442,491)</u>	<u>375,806</u>	<u>-</u>	<u>3,656,647</u>
TOTAL FUNDS	<u>(4,109,593)</u>	<u>22,805,933</u>	<u>(29,064,385)</u>	<u>-</u>	<u>11,105,000</u>	<u>736,955</u>

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

General Annual Grant

The General Annual Grant is the delegated fund received from the ESFA. The GAG is made up of several funding factors. The main factor is based on student numbers taken from census data, Basic entitlement Age Weighted Pupil Unit. The remaining factors are based on student specific data again taken from census data, Deprivation, Looked After Children, Prior Attainment, English as an additional language, and Mobility. Additional funding factor is used for Sparsity and each school receives a Lump Sum depending on sector, primary or secondary. Funding for the Sixth form programme is received via GAG based on census data received. Sixth form funding is calculated using a small number of factors such as banding for hours a student receives. The MAC is not subject to a limit on GAG carry forward.

DfE/EFA capital grants

Devolved Formula Capital and Conditions Improvement Fund funding can be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment and minor works. All schools within the Multi Academy Company who have been in receipt of the fund have used it to make improvements to their IT provision, upgrade their fixtures and fittings or undertaken minor building works/improvements.

The Condition Improvement Fund (CIF)

The Condition Improvement Fund (CIF) supports projects to address condition issues and schools and colleges that need to expand their existing provision.

S.77 funding from Worcestershire County Council

The MAC received donated fixed assets from Worcestershire County Council as a result of S.77 of Schools Standards and Framework Act 1998. This fund related to the sports hall and playing field improvements at St Bede's Catholic Middle School.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

Pension reserve

The Pension Reserve relates to the MAC's share of the Local Government Pension Scheme deficit.

Capital expenditure from GAG

Where tangible fixed assets are acquired by the Academies, the Academies use their Developed Formula Capital income. Once these funds are exhausted and the Academies still require Tangible Fixed Assets, funds are transferred from the General Annual Grant to cover the cost of these assets required.

Tangible Fixed Assets acquired on Conversion to Academies

At conversion all schools had their fixed assets transferred to the new MAC. These transfers were made from the Archdiocese of Birmingham or Worcestershire County Council. The fund is charged with depreciation of the assets in each period.

16-19 Bursary

St Augustine's Catholic High School and Trinity Catholic School both run a successful sixth form. Eligible Students are able to apply for a grant to support their studies. The grant is known as the 16-19 bursary, and is provided to the MAC to distribute to eligible pupils at its discretion. This is not recognised as income or expenditure of the MAC.

SCA

School Condition Allocation supports projects to address condition issues and schools and colleges that need to expand their existing provision and replace CIF funding going forward.

S106

St Mary's Catholic Primary School (Broadway) is due to receive funding in relation to a building project upon completion.

Sale of Priest House

St Mary's Catholic Primary School (Broadway) had a Priest's House on site, which has since been transferred to the Diocese and subsequently sold, but it has been agreed upon completion of building works, they will receive £200,000 for the work completed in relation to the sale of the house which has to be spent on building works in Broadway

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	640,044	859,770	(95,808)	(686,901)	-	717,105
RESTRICTED GENERAL FUNDS						
Teaching School	63,880	44,875	(108,547)	-	-	208
General Annual Grant	333,685	15,085,938	(15,542,341)	534,027	-	411,309
Other restricted general funds	(6,592,000)	(1,950,000)	(687,000)	-	(26,000)	(9,255,000)
	<u>(6,194,435)</u>	<u>13,180,813</u>	<u>(16,337,888)</u>	<u>534,027</u>	<u>(26,000)</u>	<u>(8,843,483)</u>
RESTRICTED FIXED ASSET FUNDS						
DFC	1,404,585	70,065	(27,814)	-	-	1,446,836
GAG	619,011	-	(106,441)	152,874	-	665,444
Other capital grants	31,227	39,427	(4,014)	-	-	66,640
Conversion	19,818,230	247,300	(19,859,665)	-	-	205,865
Council	1,645,600	-	(13,600)	-	-	1,632,000
	<u>23,518,653</u>	<u>356,792</u>	<u>(20,011,534)</u>	<u>152,874</u>	<u>-</u>	<u>4,016,785</u>
TOTAL RESTRICTED FUNDS	<u>17,324,218</u>	<u>13,537,605</u>	<u>(36,349,422)</u>	<u>686,901</u>	<u>(26,000)</u>	<u>(4,826,698)</u>
TOTAL FUNDS	<u>17,964,262</u>	<u>14,397,375</u>	<u>(36,445,230)</u>	<u>-</u>	<u>(26,000)</u>	<u>(4,109,593)</u>

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
St Augustine's Catholic High School	104,878	434,000
St Bede's Catholic Middle School	61,725	386,000
Our Lady of Mount Carmel Catholic First School	-	(121,700)
St Peter's Catholic First School	24,094	270,000
St Thomas More Catholic First School	17,684	129,000
Trinity Catholic School	65,388	85,000
St Benedict's Catholic High School	72,141	-
St Gregory's Catholic Primary School	16,891	-
St Mary's Catholic Primary School (Evesham)	14,544	-
St Mary's Catholic Primary School (Henley)	11,656	-
Our Lady's Catholic Primary School	10,054	-
St Mary's Catholic Primary School (Broadway)	(229,890)	-
Central Services	2,256,143	(53,678)
Total before fixed asset funds and pension reserve	2,425,308	1,128,622
Restricted fixed asset fund	3,656,647	4,016,785
Pension reserve	(5,345,000)	(9,255,000)
TOTAL	736,955	(4,109,593)

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

	Deficit £
St Mary's Catholic Primary School (Broadway)	229,890

St Mary's Catholic Primary School (Broadway) had two head teachers who were off sick in the year, and there was no insurance to offset the loss of the supply teacher costs.

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

The School Improvement Board at St Mary's Catholic Primary School Broadway has been focusing on stability and future sustainability within the school. The school is being managed by an Executive Head and a non-teaching Assistant Head while plans are made to balance the school's budget within the next five years. Support from other schools within the MAC has been very strong and development plans are ongoing to ensure that the correct support is in place to balance the budget without having a negative impacting on the pupils' education.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 restated £
St Augustine's Catholic High School	3,485,814	372,252	303,937	943,991	5,105,994	5,403,798
St Bede's Catholic Middle School	2,278,482	275,485	41,102	466,319	3,061,388	3,092,518
Our Lady of Mount Carmel Catholic First School	846,647	134,716	30,853	198,419	1,210,635	1,299,108
St Peter's Catholic First School	846,069	164,820	42,940	218,817	1,272,646	1,282,447
St Thomas More Catholic First School	678,469	133,903	43,514	191,459	1,047,345	1,686,518
Trinity Catholic School	2,127,693	295,970	299,858	902,409	3,625,930	2,381,987
St Benedict's Catholic High School	2,222,934	363,662	174,946	680,974	3,442,516	-
St Gregory's Catholic Primary School	552,836	145,037	55,555	259,389	1,012,817	-
St Mary's Catholic Primary School (Evesham)	525,049	97,666	19,967	187,131	829,813	-
St Mary's Catholic Primary School (Henley)	391,397	65,397	26,022	175,172	657,988	-
Our Lady's Catholic Primary School	366,908	104,725	44,002	125,927	641,562	-
St Mary's Catholic Primary School (Broadway)	289,264	128,514	20,753	206,435	644,966	-
Central Services	673,365	1,302,077	198,282	2,208,190	4,381,914	20,883,469
Teaching School	-	-	-	-	-	108,547
MULTI ACADEMY COMPANY	15,284,927	3,584,224	1,301,731	6,764,632	26,935,514	36,138,392

The prior year numbers have been restated in line with current year.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,486,139	2,486,139
Current assets	1,999,942	2,545,237	1,367,149	5,912,328
Creditors due within one year	196,641	(2,316,512)	(196,641)	(2,316,512)
Provisions for liabilities and charges	-	(5,345,000)	-	(5,345,000)
TOTAL	2,196,583	(5,116,275)	3,656,647	736,955

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,972,041	3,972,041
Current assets	717,105	1,778,331	44,744	2,540,180
Creditors due within one year	-	(1,366,814)	-	(1,366,814)
Provisions for liabilities and charges	-	(9,255,000)	-	(9,255,000)
TOTAL	717,105	(8,843,483)	4,016,785	(4,109,593)

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(6,258,452)	(22,047,855)
ADJUSTMENTS FOR:		
Depreciation	2,128,870	328,472
Capital grants from DfE and other capital income	(110,265)	(70,065)
Interest receivable	-	(243)
Defined benefit pension scheme obligation inherited	6,084,000	-
Defined benefit pension scheme cost less contributions payable	1,111,000	687,000
Increase in debtors	(523,644)	(64,306)
Increase in creditors	949,698	298,231
Transfer from Local Authority on conversion	-	1,643,077
Loss on disposal of fixed assets	126,973	19,683,062
Donated fixed assets	(398,485)	(38,215)
Funds inherited on transfer	(1,107,301)	-
Net assets inherited on transfer	162,535	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,164,929	419,158

21. Cash flows from investing activities

	2022 £	2021 £
Interest received	-	243
Purchase of tangible fixed assets	(371,456)	(276,085)
Capital grants from DfE Group	110,265	70,065
NET CASH USED IN INVESTING ACTIVITIES	(261,191)	(205,777)

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	4,736,939	1,888,435
TOTAL CASH AND CASH EQUIVALENTS	4,736,939	1,888,435

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,888,435	2,848,504	4,736,939
Debt due within 1 year	(247,498)	(86,142)	(333,640)
	<u>1,640,937</u>	<u>2,762,362</u>	<u>4,403,299</u>

24. Capital commitments

	2022 £	2021 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Repairs, maintenance or enhancements	<u>132,367</u>	<u>-</u>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £333,640 were payable to the schemes at 31 August 2022 (2021 - £247,498) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,157,553 (2021 - £1,475,764).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,037,880 (2021 - £718,598), of which employer's contributions totaled £756,972 (2021 - £543,764) and employees' contributions totaled £ 280,908 (2021 - £174,834). The agreed contribution rates for future years are 20.9 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.03	3.95
Rate of increase for pensions in payment/inflation	3.01	2.85
Discount rate for scheme liabilities	4.27	1.68
Inflation assumption (CPI)	2.97	2.70

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments (continued)

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

	2022 Years	2021 Years
Retiring today		
Males	21.98	22.3
Females	24.44	24.7
Retiring in 20 years		
Males	23.23	23.7
Females	26.31	26.6

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	4,964	8,925
Discount rate -0.1%	5,720	9,592
Mortality assumption - 1 year increase	5,845	9,791
Mortality assumption - 1 year decrease	4,848	8,736
CPI rate +0.1%	5,708	9,582
CPI rate -0.1%	4,986	8,925

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	7,890,400	4,174,000
Other bonds	629,070	5,000
Property	1,818,020	221,000
Cash and other liquid assets	604,250	125,000
Other	896,260	492,000
TOTAL MARKET VALUE OF ASSETS	11,838,000	5,017,000

The actual return on scheme assets was £-376,000 (2021 - £732,000).

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(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	2,014,000	1,270,000
Past service cost	(32,000)	-
Interest income	183,000	-
Interest cost	(449,000)	131,000
Administrative expenses	9,000	10,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	1,725,000	1,411,000

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	15,930,000	10,272,000
Conversion of academy trusts	10,510,000	-
Current service cost	2,014,000	1,270,000
Interest cost	449,000	215,000
Employee contributions	230,000	175,000
Actuarial (gains)/losses	(11,673,000)	884,000
Benefits paid	(309,000)	(166,000)
Past service costs	32,000	-
Business combinations	-	3,280,000
AT 31 AUGUST	17,183,000	15,930,000

Changes in the fair value of the Multi Academy Company's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	6,675,000	3,680,000
Conversion of academy trusts	4,426,000	-
Interest income	192,000	84,000
Actuarial (losses)/gains	(568,000)	858,000
Employer contributions	1,201,000	724,000
Employee contributions	230,000	175,000
Benefits paid	(309,000)	(166,000)
Administration expenses	(9,000)	(10,000)
Business Combinations	-	1,330,000
AT 31 AUGUST	11,838,000	6,675,000

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Operating lease commitments

At 31 August 2022 the Multi Academy Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	61,239	68,281
Later than 1 year and not later than 5 years	17,513	160,518
	<u>78,752</u>	<u>228,799</u>

27. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

Owing to the nature of the Multi Academy Company and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Multi Academy Company's financial regulations and normal procurement procedures relating to connected and related party transactions.

	Services purchased £	Owed at 31 August 2022 £	Services sold £	Due at 31 August 2022 £
Birmingham Diocese	16,372	-	-	-
Bishop Challoner Catholic College	2,640	-	-	-
St Josephs Catholic Primary	1,375	-	-	-
Sacred Heart Catholic Primary	3,180	-	19,509	-
Blessed Edward	-	-	359	-
	<u>23,567</u>	<u>-</u>	<u>19,868</u>	<u>-</u>

29. Post balance sheet events

On 1 September 2022 5 additional schools joined Our Lady of the Magnificat Multi-Academy Company.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

30. Transfer of existing academies into the multi academy company

On 1 September 2021 The Holy Family Catholic Multi Academy Company joined Our Lady of the Magnificat Multi-Academy Company and net liabilities of £4,578,213 were transferred in.

The Holy Family Catholic Multi Academy Company

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
TANGIBLE FIXED ASSETS			
Freehold property	23,291,537	(23,291,537)	-
Assets under construction	111,980	-	111,980
Furniture and equipment	241,328	-	241,328
Computer equipment	45,177	-	45,177
CURRENT ASSETS			
Stocks	1,843	-	1,843
Debtors due after one year	958,208	-	958,208
Cash at bank and in hand	944,766	-	944,766
LIABILITIES			
Creditors due within one year	(797,515)	-	(797,515)
PENSIONS			
Pensions - pension scheme liabilities	(6,084,000)	-	(6,084,000)
NET ASSETS/(LIABILITIES)	<u>18,713,324</u>	<u>(23,291,537)</u>	<u>(4,578,213)</u>

The above adjustment represents the value of the land and buildings transferred in from The Holy Family Catholic Multi Academy Company, which have not been recognised in Our Lady of the Magnificat Multi-Academy Company as they sit on the balance sheet of the Archdiocese of Birmingham in line with the articles of association.