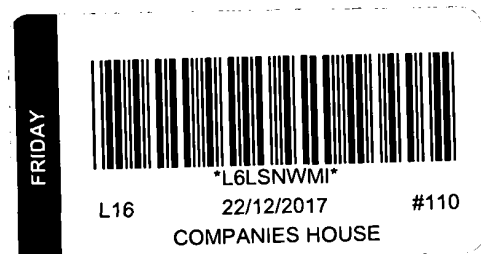


Company Registration Number: 09432692 (England and Wales)

THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

Directors	Mr L Burton Mr K J Dunnion Mr J D Foley Mrs M Fallon (resigned 8 September 2016) Father S Hall Mr F M V Hickey Mr J Martin (resigned 31 August 2017) Mrs J Sewell (appointed 13 July 2017) Mr S Slater (resigned 7 October 2016) Mrs S C M Smith Mrs A M Staley Mr T Temple Mrs C L Wright
Company registered number	09432692
Company name	The Holy Spirit Catholic Multi Academy Company
Principal and registered office	Our Lady and St Joseph Catholic Academy Riversley Park Nuneaton Warwickshire CV11 5TY
Accounting Officer	Mr F M V Hickey
Senior management team	Mr F M V Hickey, Principal - St Thomas More Catholic School and Sixth Form College Mrs S Smith, Principal - Our Lady and St Joseph's Catholic Academy Mrs S Hubbard, Principal - St Anne's Catholic Academy Mrs C Culleton, Principal - St Francis Catholic Academy Mrs S Chapman, Principal - St Benedict's Catholic Academy
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Board of Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Holy Spirit Catholic Multi-Academy Company operates a total of four primary schools and one secondary school serving the catchment area of North Warwickshire. The schools are:

- Our Lady & St Joseph Catholic Academy
- St Anne's Catholic Academy
- St Benedict's Catholic Academy
- St Francis Catholic Academy
- St Thomas More Catholic School & Sixth Form College

The Multi Academy Company operates academies for pupils aged 4 to 18 in Nuneaton. It has a pupil capacity of 2,146 and had a roll of 2,048 in the school census on 1 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust 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 Academy Trust.

The Directors of The Holy Spirit Catholic Multi Academy Company are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as The Holy Spirit Catholic Multi-Academy Company.

The Holy Spirit Catholic Multi-Academy Company is one of many such Catholic Multi-Academies that are formed within the umbrella charitable trust of the Archdiocese of Birmingham. The umbrella charitable trust is the Barberi and Newman Academy Trust (Company number 08183803). The Holy Spirit Catholic Multi-Academy Company has a single member which is the Barberi and Newman Academy Trust.

The Trustees of the Barberi and Newman Academy Trust are the Birmingham Roman Catholic Diocesan Trustees who are registered as a body corporate under Part 12 of the Charities Act 2011 (Registered charity number 234216). The charitable Company is known as The Holy Spirit Catholic Multi-Academy Company and the majority of the trustee responsibilities are delegated to the Directors within the Articles of Association, Master Funding Agreement and Scheme of Delegation.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Directors' Indemnities

In accordance with normal commercial practice the multi-academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi-academy business.

The RPA Administrator's Limit of Liability in respect of each academy shall be £10,000,000 each and every loss and shall be the maximum aggregate liability of the RPA Administrator from all losses from an academy whose Academy Trust is a Member during any one Membership Year.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

The RPA Administrator will provide indemnity in respect of the following Extensions 1. Defence Costs incurred by an Indemnified Person in successfully defending themselves against criminal or regulatory proceedings in respect of pollution of any kind which results from a Wrongful Act. Provided that the liability of the RPA Administrator will be limited to £1,000,000 in any one Membership Year for all Indemnified Persons of an academy whose Academy Trust is a Member.

DIRECTORS

Method of Recruitment and Appointment or Election of Directors

The management of the multi-academy company is the responsibility of the Directors who are elected and co-opted under the terms of the articles of association.

The multi-academy company shall have the following Directors as set out in its Articles of Association and funding agreement:

- up to such a number of Foundation Directors so as to constitute a majority of the Directors by at least two from time to time and shall be appointed under Article 50. No such Foundation Director shall be or become an employee of the Company.
- up to two Staff Directors who are appointed under Article 50B
- up to two Parent Directors who are appointed under Articles 53-56B
- up to two Principals of the Academies may be appointed as Directors under Articles 51A and 52.
- the Company may also appoint up to three Co-opted Directors under Article 58 as long as the Foundation Directors permitted by Article 46 shall increase proportionately to ensure that a majority by at least two of the Directors are Foundation.

Directors are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

The Archdiocese of Birmingham is empowered under article 50 to appoint Foundation Directors.

When appointing new Directors, the Board will give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to the multi-academy company's development.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of at least one of the schools within the multi-academy and a chance to meet staff and pupils. All Directors are provided with or directed to our website where they can obtain copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Directors normally meets once each half-term. The Board establishes an overall framework for the governance of the multi-academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

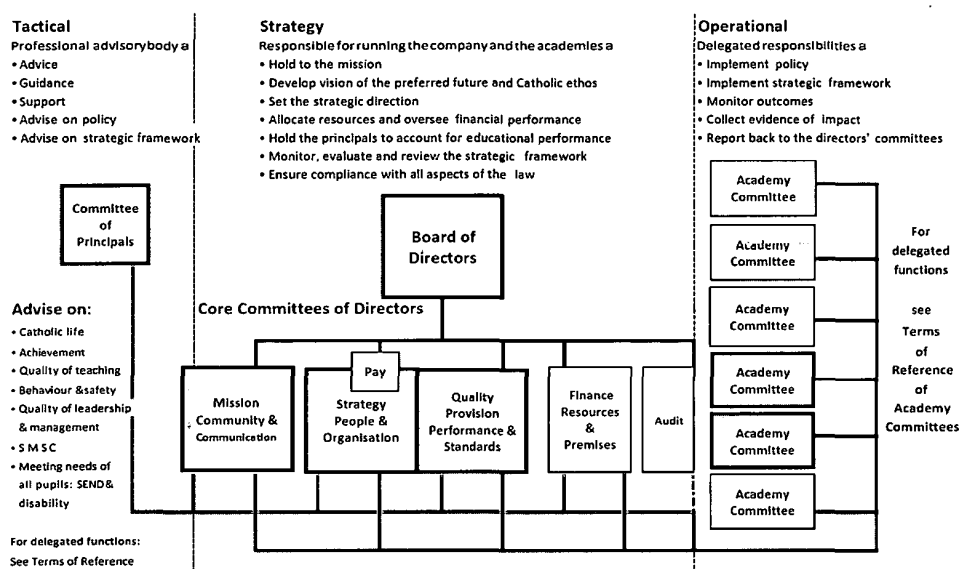
THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY (A COMPANY LIMITED BY GUARANTEE)

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

There are six committees as follows;

- Finance Committee - this meets once each half-term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, and drafting the annual budget including setting staffing levels.
- Audit Committee – meets at least three times per year, on occasion alongside the finance committee. The audit committee receive termly reports from internal assurance visits.
- Standards Committee - this meets once each half-term to monitor, evaluate and review the Multi-Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Strategy Committee - this meets once each half-term to review the multi-academy's organisational strategy, policies and procedure as well as all employee related processes.
- Mission Committee - this meets once each half-term and is responsible for the mission of the multi-academy along with relationships with the community, and communication processes and practices.
- Pay Committee – meets annually to review and ratify performance management of the principals.

Structure to support delegation and accountability



The following decisions are reserved to the Board of Directors: to consider any proposals for changes to the status or constitution of the multi-academy and its committee structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Principal, Vice Principal at each school; to appoint the Head of RE at St Thomas More Catholic School and Sixth Form College; appoint the Clerk to the Directors and to approve the Annual Development Plan and budget.

The Board of Directors are responsible for setting general policy; monitoring standards and pupil outcomes; adopting an annual plan and budget; approving the statutory accounts; monitoring the multi-academy by the use of budgets and other data; strategic direction of the multi-academy; capital expenditure and staff appointments.

The Board of Directors have devolved responsibility for day to day management of the schools to the Local Academy Committees (LAC) of each school, along with the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, Vice-Principal and Assistant Principals. The SLT implement the policies ratified by the Board and report back to them on performance.

Mr Francis Hickey, Principal of St Thomas More School and Sixth Form College, is the Accounting Officer.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board consider the Board of Directors, Principals and the Chief Operating Officer comprise the key management personnel of the Multi-Academy in charge of directing and controlling, running and operating the Multi-Academy Company on a day to day basis. All Directors give their time freely and no Director received remuneration in the year. Staff and Principal Directors are only remunerated through their employed posts in their respective schools. The Chief Operating Officer is directly employed by the Multi-Academy Company.

Details of Directors' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

Connected Organisations, including Related Party Relationships

All Directors of The Holy Spirit Catholic Multi Academy Company have signed an undertaking to the Barberi and Newman Academy Trust (BANAT) and therefore, as detailed in the Articles of Association, all activity undertaken by the Company is restricted to the fulfilment of the Object defined in (Article 4) by BANAT. BANAT operates on behalf of the Catholic Archdiocese of Birmingham and Birmingham Diocesan Education Service.

As a result of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Holy Spirit Catholic Multi-Academy Company is restricted in its principal objectives and in its aims through funding agreements with the ESFA and agreements including leases with the Catholic Church. Funding is granted to the Company by the ESFA in order to advance for the public benefit, education in the United Kingdom. This will include establishing, maintaining, carrying on, managing and developing schools (academies) which offer a broad and balanced curriculum. These schools (academies) will be conducted as Catholic schools (academies) in accordance with the Code of Canon Law of the Latin Church and the doctrinal, social and moral teachings of the Catholic Church as advised from time to time by the directives and policies issued by the Diocesan Bishop; so as to ensure that formation, governance and education within The Holy Spirit Catholic Multi-Academy Company schools and academies is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in our Lord Jesus Christ.

Our Mission

"Our Vision of Catholic Education for The Holy Spirit Catholic Multi-Academy Company is to provide excellence in standards, behaviour and in the formation of disciples of Jesus Christ, rooted in His Commandment of love".

Academic excellence - providing outstanding teaching and learning, rigorous monitoring, a varied and adaptable curriculum with a variety of experiences for all the young people in our care.

We seek to continue the work that has been handed on to us by previous generations and to make Catholic Education a beacon of excellence, not just by catechesis and the delivery of a curriculum, but by the formation of disciples following Jesus in His way of Love.

Our Aims

To be One. To be Holy. To be Catholic. To be Apostolic.

To be One - To be One that we work towards greater unity.

To be Holy - To be Holy that every aspect of our lives is dedicated to God.

To be Catholic - To be Catholic that in our religious life and in our closeness to Jesus, we work towards being more deeply Catholic.

To be Apostolic - To be Apostolic that in our citizenship and stewardship within schools, we work towards being centres of evangelisation, proclaiming JESUS IS LORD!

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

The multi-academy's main strategy is rooted in the mission of the Catholic Church, our main objectives are:

- Maintaining the highest quality of Catholic education and providing a broad, balanced curriculum suited to the needs of all.
- Celebrating Catholic ethos and ensuring the academic, social and religious education of the pupils is high on the agenda.
- Best practice and best value partnerships with other schools and agencies, using educational ideas to enhance the education of all the pupils.
- Training and career opportunities for all staff and to develop Academy representative and Directors for the benefit of the Multi Academy.
- Providing clear planning, direction, leadership and financial judgement to ensure the ongoing growth of the Multi Academy.
- Creating an ethos of collective responsibility, through which we will promote achievement and improve pupil performance.

Public Benefit

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

For the academic year 2016/17 key priorities for the multi academy company were:

Key Priority 1

To investigate and develop wider collaborations, to secure ongoing school improvement

Relationships and networks have been established which have developed wider collaborations. Within the multi academy strong, tailored school to school support has been offered and received at each school helping to build capacity within the multi academy company, without additional charge.

Key Priority 2

To improve outcomes for children, where the need has been identified

A consistent and pro-active approach to all pupil progress has been developed during 2016/17. This has allowed for more targeted early interventions and improved pupil outcomes.

Key Priority 3

To build capacity at all levels of leadership

Recruitment and retention have been key areas for discussion during 2016/17. Training and development has been offered internally to support those that have shown leadership potential. Through school to school support staff have shared their knowledge and skills with their peers, which has developed relationships across the multi-academy and built capacity at all levels. There has been excellent examples of true joint practice, which is proved to be efficient and effective.

Key Priority 4

To improve communication and establish effective working systems

External communication has greatly improved over the last twelve months since the appointment of the MAC Partnership Manager (now Chief Operating Officer). Termly newsletters are sent out to all pupils, parents, staff and wider stakeholders celebrating the successes of the Multi Academy each term. A more consistent approach to all communication is part of the multi academy company's on-going development.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

Alongside the four main priorities for 2016/17 the Board of Directors have also:

- Conducted a Business Management review to look at the effectiveness of current operations and certain service level agreements. This resulted in the appointment of a Chief Executive Officer (0.6FTE) and the creation of a full-time MAC Finance Officer role.
- The Chair of the Board attends the MAC Chairs' meeting facilitated by the Diocesan Education Service; this allows us to keep up to date with the Diocese's plan for MAC expansion.
- Overseen the successful amalgamation of Our Lady of the Angels Catholic Infant School and St Joseph's Catholic Junior School. The schools amalgamated on 1st February 2017 to form Our Lady and St Joseph Catholic Academy. All four primary schools within the Multi Academy Company are all now Reception through to Year 6. This has and will continue to develop the consistency of joint-practice across EYFS, KS1 and KS2 in all four primary schools.
- Overseen the successful installation of an electronic visitor management system at all schools, which during 2017/18 will be developed further to allow staff to move easily between sites within the multi academy.

Evaluation of each school within the Holy Spirit Multi Academy 2016-17 priorities:

Our Lady & St Joseph Catholic Academy

Priority 1

Develop knowledge and understanding of the Mass, ensuring all staff can confidently respond and participate in school Masses

All staff understand and can participate in the Mass. Responses from both children and staff have improved over the course of the year and our contribution to the wider life of the parish continues to be strong.

Priority 2

Work with the Academy Committee to ensure early recruitment of highly skilled teachers, enabling a full review of the staffing structure and appointment to new roles

Our recruitment strategy was highly effective and we recruited very good practitioners to all vacancies. Those teachers are being well supported and have already reached the point of consistently good practice with some elements of outstanding practice.

Priority 3

Ensure teaching across the school is consistently good and increase the proportion of outstanding teaching and learning

All teaching is now at least good and much is outstanding. This judgement has been validated by an external consultant. Standards are as follows:

Outstanding	Good	Requires Improvement	Inadequate
45%	55%	0%	0%

Priority 4

Continue to develop consistency of policy and practice across the school

All policies newly introduced last year are now firmly embedded following the amalgamation of the infant and junior school. We have achieved consistency across the school and this is monitored regularly to ensure it is maintained. Again, this has been validated by an external consultant.

Priority 5

Improve behaviour and safety at unstructured times of the day (particularly lunchtimes at Key Stage One and EYFS) ensuring behaviour moves swiftly to outstanding

Behaviour is now judged to be outstanding across the school. Much work has been done to embed the new behaviour policy and to train all staff to share the high expectations communicated by the leadership team. Behaviour remains a focus in our priorities for 2017/18 to ensure high standards are maintained despite the introduction of several new members of staff.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

St Anne's Catholic Academy

Priority 1 - Improved teaching and learning over time so that quality of provision in at least 75% (6/8) of classes is secured as Good or better by December.

Underperformance was very robustly challenged at St. Anne's and as a result, seven new teachers were appointed for September 2017. This has led to significant improvements in the quality of teaching, the majority of which is now good.

Priority 2

Improved attainment and accelerated progress in RWM so that in all classes the number of pupils at ARE or better increases

Outcomes in Reading and Maths improved at KS2 in 2017 and this trend is set to continue in 2018 where outcomes at all key stages are targeted to be broadly in line with national outcomes.

Priority 3

Raise attainment in all classes in Writing so that at least 70% of lower KS2, 65% for Upper KS2 and 50% of KS1 are at ARE or above by December

The target for KS2 was not achieved due to the quality of teaching but this issue was tackled robustly and the school remains on an upward trajectory in 2017/18.

Priority 4

Attendance to be in line or above with National figures

Attendance was slightly below the national average in 2017 but new strategies have been put in place to improve overall attendance in 2017/18, including the use of fines to discourage unauthorised absence and a range of incentives to encourage regular attendance.

Priority 5

Raise the level of expectation in Years 5 and 6 and ensure the future progress of these pupils by commissioning a regular external review of standards of pupils' work

Regular reviews were undertaken and this evidence supported the processes in place to challenge underperformance. As a result, the vast majority of teaching is now at least good and is rapidly improving.

St Benedict's Catholic Academy

Priority 1

To further develop the contributions, & teachings of all the school community to support a high quality Catholic Life throughout the school that provides the children with enriched spiritual experiences

The sacramental programmes for Reconciliation, First Holy Communion and Confirmation are all having a good impact and internal monitoring continues to ensure that the children have a good level of knowledge and understanding. We continue to work closely with the Parish priest to ensure parents are as engaged as possible in the process of preparation and the wider life of the Parish. The school chaplaincy team actively support Catholic Life in school by allowing the children lead others in collective worship, welcome parishioners, support in liturgy etc. Collective worship in the school is ensuring that children can participate and engage in this within a structured way.

Priority 2

Ensure that school policies are consistently followed, enabling all staff and learners to use them to address next steps in learning, accelerating pupil progress

Systems for monitoring the progress and attainment of every child, to address next steps in learning, is embedded and regularly monitored. All classes now consistently use assessment information as a planning tool and we are beginning to see a more accurate picture of pupil attainment and progress data. Regular pupil progress sessions ensure early intervention is swiftly put in place to ensure gaps in learning are supported. The year's headline data was above national at KS1 and in line at KS2.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

Priority 3

Improve and maintain the quality of teaching so that all teaching is at least good and much is outstanding, in line with career stage expectations- ensuring that all learners are suitably challenged

The marking policy has noticeably improved children's attitudes to learning and feedback from staff and children continues to be extremely positive and effective. Rigorous monitoring of teaching and learning with regular feedback through whole school improvement or individual coaching continues to improve teaching in the classroom. A monitoring schedule has enabled to further leaders in the school to develop CPD and continue to improve school improvement ensuring teaching remains at least good.

Priority 4

Ensure all staff are accountable in school improvement across the whole school and the impact of their effectiveness is evident in the school

The structure, roles and responsibilities for the leadership team have been effective in ensuring on-going school improvement. All staff assumed a more prominent role in specific areas of school development, including monitoring and action planning and this is moving forward subject leaders making them become more accountable for improvement of their specific areas.

Priority 5

To improve attendance figures in the school by ensuring rigorous processes are in place and through early intervention identify and support vulnerable families.

Robust systems and processes have been put in place to analyse attendance and ensure it moves in the right direction. There is a clear process that now supports escalation, with tiered letters sent to families falling below the threshold of 95%. Half termly monitoring our lowest 10% of children's attendance also had a positive impact, in supporting early identification and intervention. Communication to parents is clearer and attendance information continues to be shared with parents. Working with the ACE team supported some significant cases and helped us to improve attendance significantly for some families. Further interventions such as the breakfast club and CAF process also supported some of these families.

St Francis Catholic Academy

Priority 1

To develop children's knowledge of the Holy Spirit being at work in every faith.

The RE curriculum has been enriched by the careful and sensitive planning and teaching of other faiths, cultures and beliefs and how the Holy Spirit is at work through them. The children can discuss their faith and beliefs with confidence and discuss the beliefs of others. The children have each had opportunities to grow both within school and within the parish.

Priority 2

To raise attainment to at least in line with national or above through effective use of Data.

Effective professional development in the use of data has ensured good progress and attainment. Data is collected and analysed effectively in order to drive school improvement. Attainment at FS Yr1 Phonics, KS 1 and KS 2 is above ARE National and Warwickshire data. Children are able to use and apply skills learnt in English across the curriculum.

Priority 3

To raise the attainment and progress of all children through outstanding teaching

Effective professional development has been closely linked to monitoring and performance management to ensure teaching in the school is good or outstanding. The monitoring and feeding back of monitoring is robust and effective. Weaknesses are quickly identified and effectively addressed. NQTs are offered support and a robust monitoring and support structure to ensure they are ready for teaching in a less supported manner at the end of their NQT time.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

Priority 4

To raise attainment and progress in reading by developing children's vocabulary. End of KS results to be in line with or above national.

A language rich environment and promoting a love of reading has been successful in raising the profile of reading across the school. Children with reduced vocabularies have been identified and interventions put in place. An effective reading strategy and high quality resources have improved outcomes at the end of KS 2.

Priority 5

To raise attainment in mathematics.

- Reception 83% GLD
- End of KS1 80% to achieve the expected standard and 18% to achieve higher than expected standard
- End of KS2 90% to 27% to achieve higher than the expected standard

Effective professional development in the teaching of mathematics which was closely linked to the effective use of data professional development have ensured that teacher scan plan deliver effective lessons in which learners needs are continually assessed and addressed. Monitoring has shown the Assess, plan, review cycle has improved outcomes. End of Key stage 1 and 2 data was above national.

St Thomas More Catholic School & Sixth Form College

Priority 1

To continue to address the school funding issue by implementing a detailed budget recovery plan to ensure the avoidance of deficit and the build-up of appropriate reserves.

Significant efforts were put into implementing the budget recovery plan during 2016-17. Despite numerous cost pressures beyond the school's control which were causing budget difficulties a budget deficit was avoided and the first steps were taken towards building up an appropriate reserve. Continued budget pressures mean this area will remain a priority to be addressed during 2017-18.

Priority 2

To raise achievement at GCSE for the third year in succession and to strengthen the performance of the core subjects.

There was some progress towards achieving this priority in terms of best ever results in a pleasing number of key performance indicators. But overall the priority was not achieved in its entirety. English performed well in the first year of the more challenging reformed GCSEs but Maths and Science did not do well enough. Improving achievement in those subject areas will remain a priority in 2017-18.

Priority 3

To maintain and improve current high levels of achievement post-16 across a wide range of key performance indicators and to improve recruitment to the Sixth Form.

This priority was achieved in its entirety. A level results were better than expected achieving an ALPS value added score of grade 3 ("Excellent"; top 25% nationally) while AS achieved a grade 2 ("Outstanding; top 10% nationally).

Retention from year 12 to 13 remained excellent recruitment bounced back up from 86 in 2016 to 116 this summer contributing to strong numbers in the Sixth Form overall of 193.

Priority 4

To drive forward the Primary Transition Project as a means to improve progress in KS3.

This priority was a success although it. A wide range of transition activities were implemented in a range of subject areas, subject champions were effective links between St Thomas More and the primary schools. The focus on progress in subjects including English and Maths as well as activities designed to forge positive links ensured that pupil learning is the driving force behind this project. Pupils beginning their secondary work before the end of year 6 and undertaking a summer study project gave the strong signal of collaboration between the two phases and demonstrated that there should be no delays in pupil progress as they move from one Keystage to the other.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Priority 5

To continue to promote the development of teaching and learning to increase challenge in all lessons.

Increasing challenge in lessons was the focal point of the school's work during 2016-17 with visible signs of improvement. Schemes of learning were re-written, more frequent moderation of students' work took place the "St Thomas More Learning Experience" was formulated with an emphasis on higher learning skills to be implemented rigorously during 2017-18.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the amount of carry forward is expected to be between 8-12% of GAG. In the period under review, £1,067,289 was carried forward representing 12% of GAG.

Student numbers through retention and recruitment into the Sixth Form represent an important KPI since school funding fluctuates according to student numbers. The main school years are consistently at or very near to capacity. Post-16 student numbers can vary which has implications for the budget especially since funding is lagged by one academic year requiring careful planning. Student recruitment into year 12 is not confirmed until the GCSE results are published and enrolment takes place. Outcomes for students are consistently excellent and the marketing of the Sixth form is very strong. Sixth Form provision in the area has increased over time and the competition for students is fierce.

The table indicates recent variations in sixth form numbers.

Year	Year 12	Year 13	Total
2015-16	123	81	204
2016-17	87	95	182
2017-18	117	76	193

A whole school cost-reduction strategy is in place to militate against variations in sixth form numbers and to resolve other cost pressures facing all schools. The low recruitment figure in 2016 was unexpected in the light of strong interest during the application process and was despite excellent Year 13 results and very good outcomes at GCSE. A number of other local colleges experienced a smaller intake than expected.

Excellent retention going into 2017-18 from year 12 into year 13 (87 to 76 = 87%, up from 77% retention rate in 2016) and a large increase in recruitment into year 12 (up 30 students from 87 to 117) are important positive steps and will have a positive impact on the 2018-19 financial year (the total number of students on which that funding will be based being up from 182 to 193). Repeating this strong pattern of retention and recruitment will be an important objective in 2017-18 which, if achieved, will have a strong impact on income in the 2019-20 financial year. The overall cost-reduction strategy will remain in place since it is necessitated by cost pressures other than fluctuating student admissions post-16 including the large reduction in per capita income for post-16 students and unfunded increases in staff costs.

Another key financial performance indicator is staffing costs as a percentage of income (GAG, LA 3 year old funding, Higher Needs Top Up) for 2017 this was 84%, compared to 79% in 2016. This increase is mainly due to an increase in social security cost and operating costs of defined benefit pension scheme.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

KPI: OFSTED Evaluation

Our Lady & St Joseph	Outstanding	Sept 2014	Good
St Anne's	Requires Improvement	Feb 2014	Requires Improvement
St Benedict's	Good	Nov 2012	Good
St Francis	Good	Dec 2012	Good
St Thomas More	Good	Sept 2012	Good

KPI: Results

St Thomas More Catholic School and Sixth Form College- GCSE Results 2017

Key Performance	Actual 2017	National
Progress 8	-0.04	0
Attainment 8	50	47
A*-C English and Maths	75%	55%
% E-Bacc	16%	24% (2016)
5 A*-C Inc. English & Maths	74%	53% (2016)
5-9 English and Maths	46%	N/A

St Thomas More Catholic School and Sixth Form College- A Level Results 2017

A Level KPI	STM Result 2017	National Average
% A*-A	26%	26%
% A*-C	88%	76%
Overall Pass rate	100%	98%
ALPS Value added grade	3	N/A
Overall Value added score (Academic A levels)	+0.11	0
Overall Value added score (Vocational A levels)	+0.5	0
Average grade	C+	C (2016)
Average points score per entry (new method)	33.82	32.8

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Key Stage 2 Results 2017

2017 KS2 Results	OLSTJ	St Anne's	St Benedict's	St Francis	National Average
% Achieving the expected Standards in Writing	88%	23%	89%	87%	76%
% Achieving the expected Standards in Maths	80%	50%	71%	93%	75%
% Achieving the expected Standards in Spelling, Grammar and Punctuation	78%	40%	75%	93%	77%
% Achieving the expected Standards in Reading	72%	53%	75%	90%	71%
% Achieving the expected Standards in Reading, Writing & Maths	62%	23%	68%	77%	61%
Average Scaled Score for Reading	104	98	105	108	104
Average Scaled Score for Maths	104	97	103	105	104
Average Scaled Score for SPaG	105	98	106	108	106
% Achieving the higher standards in Writing	34%	0%	14%	13%	18%
% Achieving the higher standards in Maths	9%	3%	11%	23%	
% Achieving the higher standards in Spelling, Grammar and Punctuation	26%	7%	25%	30%	
% Achieving the higher standards in Reading	22%	3%	29%	37%	
% Achieving the higher standards in Reading, Writing & Maths	8%	0%	4%	10%	

Going Concern

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

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

FINANCIAL REVIEW

Financial Review

Most of the multi-academy company's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2017, the Academy received total income of £11,413,208 and incurred total expenditure of £10,978,999. The excess of income over expenditure for the year was £434,209.

The land, buildings and other assets were transferred to the Academy upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies are to be reviewed in Autumn 2017 which includes the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principals, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Board of Directors review the reserve levels of the multi-academy company annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board take into consideration the future plans of the multi academy company, the uncertainty over future income streams and other key risks identified during the risk review.

The Board of Directors have determined that the appropriate level of free reserves should be approximately £1,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £18,003,202 (excluding the pension scheme deficit reserve of £3,125,000), although £16,935,913 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £1,067,289 is the balance that the Board of Directors monitor in accordance with the Board's reserves policy. This represents approximately 1 month of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance of £3,125,000. The effect of the deficit position of the pension scheme is that the multi academy company is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the multi-academy company'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 multi-academy company.

Investment Policy

The multi-academy company has a decentralised approach to financial processing, with each school operating separate bank accounts. Therefore, schools retain any surplus funds within their own bank accounts. To date the multi academy company has not had sufficient surplus to pool funds or invest separately or collectively. This is reviewed annual and the Board of Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Principal Risks And Uncertainties

The Board of Directors has reviewed the major risks to which the multi-academy company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the multi academy company are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 85.27% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the multi academy company's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the multi academy company is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the multi-academy company is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – the multi-academy company has appointed Bishop Fleming LLP to carry out internal assurance checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The multi-academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in the light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst pupil numbers from Reception to Year 11 are stable across the multi academy company, risks to revenue funding from a falling roll are small. However, fluctuations in post-16 admissions have led to heightened scrutiny in Sixth Form provision and cost reductions. This allied with the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Directors examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all board and finance committee meetings. The Directors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

At the year end, the multi-academy company had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Directors recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Following the notification of a successful condition improvement funding bid, the multi academy company will commence repairs of roofs at four of the five schools in the coming year.

In early September 2017 the Board approved a new structure adopting the model of Senior Executive Principal, who will also take on the role of Accounting Officer from January 2018. This new structure will provide clear lines of accountability, allow for the line management of all staff and an increase in the effectiveness of coordinated school improvement. This will then provide consistent centralised reporting to the Board and in turn, improve the effectiveness of the Board.

Following the appointment of Senior Executive Principal to multi-academy company are looking to establish a more permanent office space for the growing central staff. It is anticipated the central team will relocated to existing office space within St Thomas More School from January 2018.

MAC wide priorities for the Committee of Principals 2017/18 are to:

Priority 1

Improve outcomes at all Key Stages at St Anne's Catholic Academy, ensuring it serves as a good Catholic school

Priority 2

Ensure the percentage of children attaining the expected standard and greater depth in reading, writing and maths at the end of Key Stage 2 is at least in line with national outcomes at all schools, demonstrating progress towards exceeding national outcomes

Priority 3

Develop leadership capacity and effectiveness across the MAC, providing opportunities for progression at all levels- ensure leaders at all levels have a direct impact on improving standards across the MAC

Priority 4

Continue to develop a 3-18 vision of Catholic education within the MAC, building ever stronger links and more effective transition between primary and secondary

Priority 5

Ensure the teaching of RE and the quality of Catholic life is at least good at St. Anne's and that it is outstanding at all other MAC schools

Our Lady & St Joseph Catholic Academy

Priority 1

Ensure a comprehensive induction programme for new staff is effective in quickly embedding the school policies, practices and expectations. As a result, ensure the teaching of all NQTs is at least good.

Priority 2

Ensure the Catholic life of the school and teaching of RE remains outstanding following the recruitment of several new members of staff

Priority 3

Continue to develop consistently outstanding behaviour in all year groups and at all points in the school day

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Priority 4

Introduce a highly effective system for assessing foundation subjects, ensuring that provision across the curriculum is outstanding, following a thorough curriculum audit

Priority 5

Increase the proportion of children working at the expected standard and at greater depth at the end of KS1 and KS2 in reading and maths, ensuring outcomes are above national outcomes and progress from KS1-2 is at least 0

St Anne's Catholic Academy

Priority 1

Ensure a comprehensive induction programme for new staff is effective in quickly embedding the school policies, practices and expectations. As a result, ensure all teaching is at least good

Priority 2

Increase the proportion of children working at the expected standard and at greater depth at the end of KS1 and KS2 in reading, writing and maths, ensuring outcomes are in line national outcomes

Priority 3

Continue to develop consistently good behaviour in all year groups and at all points in the school day - ensure that attitudes to learning are effective in engaging children in their learning, and encouraging healthy participation

Priority 4

Develop leadership capacity across the school, ensuring every member of staff is effective in contributing to the rapid improvement of standards across the school

Priority 5

Ensure the Catholic life of the school and teaching of RE quickly progresses to good following the recruitment of several new members of staff

St Benedict's Catholic Academy

Priority 1

Improve the quality of the teaching of RE throughout the school, ensuring it provides the children with opportunities for enriched spiritual experiences and growth through prayer and liturgy and values and virtues

Priority 2

Increase the proportion of children working at greater depth at the end of KS1 and KS2 in reading, writing and math, ensuring outcomes are above national outcomes

Priority 3

Develop and continue to improve use of planning and assessment tools to ensure the quality of teaching least good and much is outstanding, ensuring that all learners are suitably challenged

Priority 4

Continue to develop staff leadership in their accountably and responsibility in whole school improvement

Priority 5

Ensure a sound evidence base to demonstrate the rigorous processes are in place for Pupil Premium and SEN children

St Francis Catholic Academy

Priority 1

To renew our shared Catholic mission through the development of prayer, liturgy and Catholic life for families, children and parish.

Priority 2

To raise the attainment and progress of all children through outstanding teaching.
Attainment to be targeted above the national in FS /Phonics /KS1 /KS2

Priority 3

To raise attainment in reading and writing through the teaching of vocabulary.

Priority 4

To raise attainment and progress in all curriculum areas by developing skills and continuous provision.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

St Thomas More Catholic School & Sixth Form College

Priority 1

To continue to address the school funding issue by implementing a detailed budget recovery plan to ensure the avoidance of deficit and the build-up of appropriate reserves.

Priority 2

To raise achievement at GCSE in Maths and Science and to strengthen the performance of the e-bacc subjects.

Priority 3

To maintain and improve current high levels of achievement post-16 across a wide range of key performance indicators and to build on improved recruitment to the Sixth-Form.

Priority 4

To continue to drive forward the Primary Transition Project as a means to improve progress in KS3

Priority 5

To continue to promote the development of teaching and learning to increase challenge in all lessons and to implement the knowledge curriculum

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Directors do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

We monitor the physical features of our premises to consider whether they might place anyone with a disability at a substantial disadvantage. Where necessary, we will take reasonable steps to improve access.

AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 company directors, on 15/12/2017 and signed on the board's behalf by:


J D Foley
Chair of Trustees

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Holy Spirit Catholic 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Holy Spirit Catholic 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 12 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
Mr L Burton	11	12
Mr K J Dunnion	11	12
Mr J D Foley	12	12
Mrs M Fallon (resigned 8 September 2016)	1	1
Father S Hall	9	12
Mr F M V Hickey	12	12
Mr J Martin	10	12
Mrs J Sewell (appointed 13 July 2017)	1	1
Mr S Slater (resigned 7 October 2016)	0	1
Mrs S C M Smith	12	12
Mrs A M Staley	4	12
Mr T Temple	10	12
Mrs C L Wright	12	12

Mr J D Foley was re-elected Chair of the Board of Directors on 5 January 2017.

The Board of Directors of the academy company is responsible for strategy. They set the vision, ethos and strategic direction. They determine the policy and procedures of the academies. They hold the principals to account for the educational performance of the academies they lead. They monitor the use of the academies' budgets. They monitor, evaluate and review the strategic framework that underpins the running of the academies. The Board provides for the strategic running of the academies by establishing core committees, devolving responsibilities and delegating tasks to those committees to undertake the key strategic functions required for running all the academies in a collaborative manner. The core committees focus on decision making in relation to strategy, policy and procedures to be implemented across all the academies.

The Finance Committee is a sub-committee of the main Board of Directors. The main functions of this committee are to:

- Provide a robust financial environment, which meets all requirements regarding statutory compliance, ensuring solvency and probity, so that the financial resources made available to the academy company for running its academies are managed effectively and efficiently, to provide a quality education for the children in the academies that is value for money.
- Provide a strong policy, monitoring, evaluation and reporting framework so the academy company and its academies function in line with the Academies Financial Handbook, so the public money given to educate the children on roll is used effectively and efficiently, to ensure they make at least good progress in all aspects of learning, formation, attainment and progress.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (continued)

- Enable the Board of Directors of the academy company to be accountable for the use of: public monies, Diocesan charitable assets (premises and buildings) made available to provide Catholic education; and all other resources held in the ownership of the academies, by ensuring high standards of management and administration of the academies' finances and resources.
- Make recommendations to the Board of Directors and to other committees as necessary and appropriate.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr L Burton	5	6
Mr J D Foley	5	6
Mr F M V Hickey	6	6
Mr J Martin	5	6
Mrs A M Staley	1	6

The Audit Committee is also a sub-committee of the main Board of Directors. The main functions of this committee are to:

- Provide the Board of Directors with assurance over the suitability of, and compliance with, its financial systems and controls.
- Provide internal scrutiny which delivers objective and independent assurance.
- Provide assurances to the Board of Directors that risks are being adequately identified and managed by: reviewing the risks to internal financial controls and agreeing a programme of work to address, and provide assurance on, those risks.
- Investigate any activity within its term of reference, and to seek any information it requires from staff, who are requested to co-operate with the committee as it conducts its investigations.
- Make recommendations to the Board of Directors as necessary and appropriate.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr K J Dunnion	6	6
Mr J D Foley	5	6
Mr J Martin	5	6
Mr F M V Hickey	6	6
Mr T Temple	3	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal at St Thomas More Catholic School and Sixth Form College has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- More effective use of accounting officer's time has been achieved by the accounting officer working away from base school one day a week in close collaboration with the MAC's chief operating officer.
- The appointment of an internal multi-academy finance officer has offered greater value for money against the previous finance service level agreement with the local authority.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (continued)

- Closer collaboration between schools and sharing expertise is enabling schools to improve pupil outcomes through staff visiting and working in other multi-academy schools on themes including SENCO provision
- Internal school to school support from the Principals at Our Lady & St Joseph Catholic Academy, who is a National Leader of Education has provided approx. £70,000 of external support.
- The secondary school has taken over the catering of one of the primary schools which has improved provision in that primary school.
- A review of insurance arrangements led to a move to a more cost effective provider, halving costs to all the schools.
- A combined purchasing arrangement with the principal materials/stationery supplier will result in a rebate of 1.5% on all stationery expenditure.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Holy Spirit Catholic Multi Academy Company for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Finance 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;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming LLP as Internal Assurance Officer.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (continued)

The Internal Assurance Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Expenditure
- Fixed assets
- Banking systems operating within the multi-academy.
- Income
- Payroll
- IT systems

On a termly basis, the Internal Assurance Officer reports to the Board of Directors through the audit committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

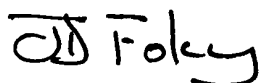
REVIEW OF EFFECTIVENESS

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

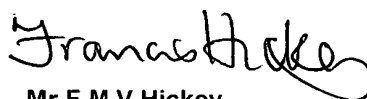
- the work of the Internal Assurance Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the chief operating officer within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and Audit Committees 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 on 15/12/2017 and signed on their behalf, by:



Mr J D Foley
Chair of Trustees



Mr F M V Hickey
Accounting Officer

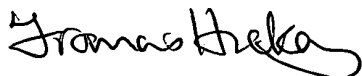
**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Holy Spirit Catholic Multi Academy Company I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that 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.



**Mr F M V Hickey
Accounting Officer**

15/12/2017

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

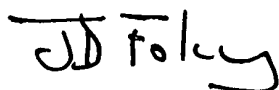
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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:



Mr J D Foley
Chair of Trustees

Date: 15/12/2017

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY**

OPINION

We have audited the financial statements of The Holy Spirit Catholic Multi Academy Company for the year ended 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Directors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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. The description forms part of our Auditor's report.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: *20 December 2017*

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE HOLY SPIRIT
CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Holy Spirit Catholic Multi Academy Company during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY'S
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of The Holy Spirit Catholic Multi Academy Company's funding agreement with the Secretary of State for Education dated 26 February 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust'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 trustees to assess the internal controls throughout the year.

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

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE HOLY SPIRIT
CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)**

CONCLUSION

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

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: *20 December 2017*

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	85,943	-	1,215,790	1,301,733	114,620
Charitable activities	5	192,663	9,732,214	-	9,924,877	9,754,899
Other trading activities	3	185,460	-	-	185,460	380,899
Investments	4	1,138	-	-	1,138	2,373
TOTAL INCOME		465,204	9,732,214	1,215,790	11,413,208	10,252,791
EXPENDITURE ON:						
Raising funds		-	-	-	-	53,199
Charitable activities		201,750	10,201,342	575,907	10,978,999	10,755,088
TOTAL EXPENDITURE	6	201,750	10,201,342	575,907	10,978,999	10,808,287
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		263,454	(469,128)	639,883	434,209	(555,496)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,270,000	-	1,270,000	(1,265,000)
NET MOVEMENT IN FUNDS		263,454	800,872	639,883	1,704,209	(1,820,496)
RECONCILIATION OF FUNDS:						
Total funds brought forward		777,000	(3,899,037)	16,296,030	13,173,993	14,994,489
TOTAL FUNDS CARRIED FORWARD		1,040,454	(3,098,165)	16,935,913	14,878,202	13,173,993

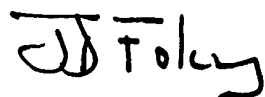
The notes on pages 33 to 55 form part of these financial statements.

THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 09432692

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		16,144,448		16,296,030
CURRENT ASSETS					
Stocks	16	1,271		-	
Debtors	17	634,459		299,705	
Cash at bank and in hand		1,943,707		966,278	
			<u>2,579,437</u>	<u>1,265,983</u>	
CREDITORS: amounts falling due within one year	18	(720,683)		(333,020)	
NET CURRENT ASSETS			<u>1,858,754</u>		<u>932,963</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,003,202</u>		<u>17,228,993</u>
Defined benefit pension scheme liability	25		<u>(3,125,000)</u>		<u>(4,055,000)</u>
NET ASSETS			<u><u>14,878,202</u></u>		<u><u>13,173,993</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	20	26,835		155,963	
Fixed asset funds	20	16,935,913		16,296,030	
			<u>16,962,748</u>	<u>16,451,993</u>	
Restricted funds excluding pension reserve					
Pension reserve		(3,125,000)		(4,055,000)	
			<u>13,837,748</u>	<u>12,396,993</u>	
Total restricted funds					
Unrestricted funds	20		<u>1,040,454</u>	<u>777,000</u>	
TOTAL FUNDS			<u><u>14,878,202</u></u>	<u><u>13,173,993</u></u>	

The financial statements on pages 30 to 55 were approved by the Directors, and authorised for issue, on 15/12/2017 and are signed on their behalf, by:



J D Foley
Chair

The notes on pages 33 to 55 form part of these financial statements.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	22	40,180	319,504
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,138	2,373
Purchase of tangible fixed assets		(279,679)	(108,000)
Capital grants from DfE/ESFA		1,215,790	47,000
Net cash provided by/(used in) investing activities		937,249	(58,627)
Change in cash and cash equivalents in the year		977,429	260,877
Cash and cash equivalents brought forward		966,278	705,401
	23	1,943,707	966,278

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Holy Spirit Catholic Multi Academy Company constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 period 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 grant are reflected in the balance 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.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

1.4 EXPENDITURE

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Where the Academy Trust has been granted use of school buildings from the Birmingham Roman Catholic Diocesan under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Academy Trust. The land and buildings have been included within the long-term leasehold property of the Academy Trust. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method. This view differs from the view of the Catholic Church.

The Supplemental Agreement includes the right for the Birmingham Roman Catholic Diocesan Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

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

Long term leasehold land	-	straight line over 125 years
Long term leasehold buildings	-	straight line over 50 years
Motor vehicles	-	straight line over 5 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

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

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchases on a first in first out basis.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

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

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

1.13 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held are disclosed in note 29.

THE HOLY SPIRIT CATHOLIC MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Donations	85,943	-	-	85,943	67,039
Capital Grants	-	-	1,215,790	1,215,790	47,581
	<u>85,943</u>	<u>-</u>	<u>1,215,790</u>	<u>1,301,733</u>	<u>114,620</u>
<i>Total 2016</i>	<u>54,235</u>	<u>12,804</u>	<u>47,581</u>	<u>114,620</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Hire of facilities	39,579	-	39,579	40,173
Trip income	138,230	-	138,230	148,790
Other income	7,651	-	7,651	191,936
	<u>185,460</u>	<u>-</u>	<u>185,460</u>	<u>380,899</u>
<i>Total 2016</i>	<u>377,680</u>	<u>3,219</u>	<u>380,899</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,138	-	1,138	2,373
	<u>1,138</u>	<u>-</u>	<u>1,138</u>	
<i>Total 2016</i>	<u>2,373</u>	<u>-</u>	<u>2,373</u>	

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5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	8,625,231	8,625,231	8,532,609
Other DfE/ESFA grants	-	719,526	719,526	654,224
High Needs	-	168,822	168,822	118,490
	-	9,513,579	9,513,579	9,305,323
Other government grants				
Local authority grants	-	218,635	218,635	187,689
Special educational projects	-	-	-	38,527
	-	218,635	218,635	226,216
Other funding				
Internal catering income	77,143	-	77,143	91,842
Sales to students	78,554	-	78,554	80,387
Music tuition	33,744	-	33,744	33,131
Other incoming resources	3,222	-	3,222	18,000
	192,663	-	192,663	223,360
	192,663	9,732,214	9,924,877	9,754,899
<i>Total 2016</i>	662,360	9,092,539	9,754,899	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	-	-	53,339
Education:					
Direct costs	6,891,118	-	875,645	7,766,763	7,325,751
Support costs	1,281,869	908,337	1,022,030	3,212,236	3,429,337
	8,172,987	908,337	1,897,675	10,978,999	10,808,427
<i>Total 2016</i>	7,505,752	759,818	2,542,857	10,808,427	

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7. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	37,000	-
Other support costs	803,942	777,605
Premises costs	464,023	459,398
Technology costs	62,597	28,383
Governance costs	131,544	386,651
Support staff costs	1,008,417	898,868
Pension cost	273,452	433,839
Depreciation	431,261	444,593
	<u>3,212,236</u>	<u>3,429,337</u>
<i>At 31 August 2016</i>	<u>3,429,337</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	431,261	444,593
Auditors' remuneration - audit	17,450	15,950
Operating lease rentals	34,866	15,000
Loss on disposal of fixed assets	-	40,917
	<u>483,577</u>	<u>516,460</u>

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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	6,157,149	5,930,944
Social security costs	499,754	393,575
Operating costs of defined benefit pension schemes	1,318,873	1,016,233
	<u>7,975,776</u>	<u>7,340,752</u>
Apprenticeship levy	5,908	-
Supply teacher costs	179,303	165,000
Staff restructuring costs	12,000	-
	<u><u>8,172,987</u></u>	<u><u>7,505,752</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>12,000</u>	<u>-</u>

The above severance payment relates to a payment of £12,000 to one individual member of staff in the year.

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

	2017 No.	2016 No.
Teachers	111	107
Administration and support	195	196
Management	17	28
	<u>323</u>	<u>331</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	104	93
Administration and support	88	99
Management	16	17
	<u>208</u>	<u>209</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2

The key management personnel of the Academy Trust comprise the Directors (who do not receive remuneration for their role as Directors) and the Senior Management Team as listed on page 1. The total

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9. STAFF COSTS (continued)

amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £641,742 (2016: £454,287).

As staff Directors are not remunerated in respect of their role as a Director, where staff Directors do not form part of the key management personnel other than in their role as Director, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

10. CENTRAL SERVICES

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

- MAC central staffing costs
- HR SLA
- Auditor remuneration
- Internal Assurance Checks
- Capita Licence Fees
- School Improvement Partner
- External Consultation for Principals Performance Management
- MAC Sports Day
- Termly newsletters
- MAC website

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

Amount of Education Services Grant receivable for the year. However in 2017/18 the Board agreed to a flat rate of 2% of all the schools' GAG. The services received in 2016/17 and 2017/18 were the same.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Thomas More Catholic School and Sixth Form College	75,922	30,000
Our Lady and St Joseph's Catholic Academy	38,638	7,000
St Benedict's Catholic Academy	12,859	4,000
St Francis Catholic Academy	15,323	5,000
St Anne's Catholic Academy	15,739	10,000
Total	<u>158,481</u>	<u>56,000</u>

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11. DIRECTORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Directors. Other Directors did not receive any payments from the Academy Trust in respect of their role as Directors. The value of Directors' remuneration in the year was as follows; Mrs S Smith: remuneration £75,000 - £80,000 (2016: £75,000 - £80,000), employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000); Mrs C Wright: remuneration £50,000 - £55,000 (2016: £50,000 - £55,000), employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000); Mr F Hickey: remuneration £75,000 - £80,000 (2016: £50,000 - £55,000), employer's pension contributions £10,000 - £15,000 (2016: £5,000 - £10,000); Mr L Burton: remuneration £40,000 - £45,000 (2016: £40,000 - £45,000), employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

During the year, no Directors received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £224 (2016: £NIL) were reimbursed to 1 Director (2016: NIL).

12. DIRECTORS' AND OFFICERS' INSURANCE

The Academy Trust 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 Academy Trust business, and provides unlimited cover. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

13. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	58,000	75,000
Interest on pension scheme liabilities	(145,000)	(175,000)
	<u>(87,000)</u>	<u>(100,000)</u>

14. RESTATEMENT

The comparative amounts in the Statement of Financial Activities have been restated, to better show the allocation of incoming resources. There has been no effect on the Balance Sheet amounts or the allocation between funds.

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15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	16,425,000	2,900	288,000	180,000	16,895,900
Additions	-	-	269,819	9,860	279,679
At 31 August 2017	16,425,000	2,900	557,819	189,860	17,175,579
DEPRECIATION					
At 1 September 2016	450,000	870	68,000	81,000	599,870
Charge for the year	300,420	580	68,083	62,178	431,261
At 31 August 2017	750,420	1,450	136,083	143,178	1,031,131
NET BOOK VALUE					
At 31 August 2017	15,674,580	1,450	421,736	46,682	16,144,448
At 31 August 2016	15,975,000	2,030	220,000	99,000	16,296,030

16. STOCKS

	2017 £	2016 £
Stocks	1,271	-

17. DEBTORS

	2017 £	2016 £
Trade debtors	170	-
Other debtors	21,477	-
Prepayments and accrued income	495,572	205,917
Tax recoverable	117,240	93,788
	634,459	299,705

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	539,439	194,849
Other creditors	30,576	7,491
Accruals and deferred income	150,668	130,680
	720,683	333,020

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	92,871	65,000
Resources deferred during the year	99,331	92,871
Amounts released from previous years	(92,871)	(65,000)
Deferred income at 31 August 2017	<u>99,331</u>	<u>92,871</u>

At the year end, £91,208 has been deferred in respect of income for Universal Infant Free School Meals received in advance, £7,018 for trip income paid in advance and £1,105 for music tuition fees paid in advance.

19. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>1,332,444</u>	<u>966,278</u>
Financial liabilities measured at amortised cost	<u>610,492</u>	<u>232,658</u>

Financial assets measured at amortised cost comprise cash at bank and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

20. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS					
General funds	<u>777,000</u>	<u>465,204</u>	<u>(201,750)</u>	-	<u>1,040,454</u>
RESTRICTED FUNDS					
General Annual Grant (GAG)	155,963	8,654,459	(8,783,587)	-	26,835
Pupil Premium	-	469,298	(469,298)	-	-
Other ESFA	-	290,746	(290,746)	-	-
High Needs	-	168,822	(168,822)	-	-
UFSM	-	148,889	(148,889)	-	-
Pension reserve	(4,055,000)	-	(340,000)	1,270,000	(3,125,000)
	<u>(3,899,037)</u>	<u>9,732,214</u>	<u>(10,201,342)</u>	<u>1,270,000</u>	<u>(3,098,165)</u>

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20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE Capital Grants	79,000	50,079	(47,021)	-	82,058
Fixed assets transferred on conversion	16,121,000	-	(364,069)	-	15,756,931
Fixed assets purchased from GAG and other restricted funds	96,030	-	(37,668)	-	58,362
Lottery Funding	-	9,980	(998)	-	8,982
CIF Funding	-	1,155,731	(126,151)	-	1,029,580
	<u>16,296,030</u>	<u>1,215,790</u>	<u>(575,907)</u>	<u>-</u>	<u>16,935,913</u>
Total restricted funds	<u>12,396,993</u>	<u>10,948,004</u>	<u>(10,777,249)</u>	<u>1,270,000</u>	<u>13,837,748</u>
Total of funds	<u>13,173,993</u>	<u>11,413,208</u>	<u>(10,978,999)</u>	<u>1,270,000</u>	<u>14,878,202</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS					
General funds	604,000	457,000	(284,000)	-	777,000
	<u>604,000</u>	<u>457,000</u>	<u>(284,000)</u>	<u>-</u>	<u>777,000</u>
RESTRICTED FUNDS					
General Annual Grant (GAG)	-	8,533,000	(8,442,000)	64,963	155,963
Pension reserve	(2,584,000)	-	(206,000)	(1,265,000)	(4,055,000)
	<u>(2,584,000)</u>	<u>8,533,000</u>	<u>(8,648,000)</u>	<u>(1,200,037)</u>	<u>(3,899,037)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE / ESFA capital grants	52,000	47,000	(20,000)	96,030	175,030
Fixed assets transferred on conversion	16,546,000	-	(425,000)	-	16,121,000
	<u>16,598,000</u>	<u>47,000</u>	<u>(445,000)</u>	<u>96,030</u>	<u>16,296,030</u>
Total restricted funds	<u>14,014,000</u>	<u>8,580,000</u>	<u>(9,093,000)</u>	<u>(1,104,007)</u>	<u>12,396,993</u>
Total of funds	<u>14,618,000</u>	<u>9,037,000</u>	<u>(9,377,000)</u>	<u>(1,104,007)</u>	<u>13,173,993</u>

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

General Annual Grant

Income from the ESFA which is to be used for the normal running costs of the MAC, including education and support costs.

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20. STATEMENT OF FUNDS (continued)

Pupil Premium

Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the MAC to address the current underlying inequalities between those children and their wealthier peers.

Other ESFA Grants

Income which has been received for specific purposes.

High Needs

Funding received from the Local Authority to fund further support for students with additional needs.

Universal Infant Free School Meals (UFSM)

Income received from the ESFA for the provision of Free School Meals to infant pupils.

DfE / ESFA Capital Grants

This represents funding from the DfE/ESFA which has been received for the maintenance and purchases of the schools assets

Fixed Assets transferred on conversion

This represents the buildings and equipment donated to the MAC from the Local Authority and Diocese on conversion to an Academy Trust.

Fixed assets purchased from GAG and other restricted funds

This represents assets purchased from unspent General Annual Grant and other non-capital restricted income.

Lottery Funding

Income received from the National Lottery to be spent on specific capital projects.

CIF Funding

Condition Improvement Funding received from the ESFA for large scale capital projects.

Pension reserve

This represents the MAC's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to a Multi Academy Company.

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

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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St Thomas More Catholic School and Sixth Form College	1,762	80,000
Our Lady and St Joseph's Catholic Academy	534,047	355,000
St Benedict's Catholic Academy	100,525	90,000
St Francis Catholic Academy	216,460	223,000
St Anne's Catholic Academy	72,064	78,000
Central services	142,431	106,963
Total before fixed asset fund and pension reserve	1,067,289	932,963
Restricted fixed asset fund	16,935,913	16,296,030
Pension reserve	(3,125,000)	(4,055,000)
Total	14,878,202	13,173,993

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
St. Thomas More Catholic School and Sixth Form College	3,714,526	501,651	323,114	777,754	5,317,045	5,036,000
St Benedict's Catholic Academy	462,236	102,316	32,456	134,927	731,935	773,000
St Francis Catholic Academy	556,106	138,274	31,209	201,860	927,449	950,000
St Anne's Catholic Academy	692,341	147,698	30,231	228,537	1,098,807	1,134,000
Our Lady and St Joseph's Catholic Academy	1,287,413	238,871	74,187	408,957	2,009,428	2,197,000
Central Services	20,496	56,231	-	386,347	463,074	315,000
	6,733,118	1,185,041	491,197	2,138,382	10,547,738	10,405,000

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	16,144,448	16,144,448
Current assets	1,303,199	152,470	1,123,768	2,579,437
Creditors due within one year	(262,745)	(125,635)	(332,303)	(720,683)
Pension scheme liability	-	(3,125,000)	-	(3,125,000)
	<u>1,040,454</u>	<u>(3,098,165)</u>	<u>16,935,913</u>	<u>14,878,202</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	16,296,030	16,296,030
Current assets	777,000	488,983	-	1,265,983
Creditors due within one year	-	(333,020)	-	(333,020)
Provisions for liabilities and charges	-	(4,055,000)	-	(4,055,000)
	<u>777,000</u>	<u>(3,899,037)</u>	<u>16,296,030</u>	<u>13,173,993</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	434,209	(555,496)
Adjustment for:		
Depreciation charges	431,261	404,000
Investment income	(1,138)	(2,000)
Increase in stocks	(1,271)	-
(Increase)/decrease in debtors	(334,754)	264,000
Increase in creditors	387,663	9,000
Capital grants from DfE and other capital income	(1,215,790)	(47,000)
Defined benefit pension scheme cost less contributions payable	253,000	106,000
Defined benefit pension scheme finance cost	87,000	100,000
Losses/(profits) on disposals of fixed assets	-	41,000
Net cash provided by operating activities	<u>40,180</u>	<u>319,504</u>

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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,943,707	966,278
Total	<u>1,943,707</u>	<u>966,278</u>

24. CAPITAL COMMITMENTS

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>256,944</u>	<u>-</u>

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire Pension Fund. Both are multi-employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

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25. PENSION COMMITMENTS (continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £686,826 (2016: £682,394).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £356,000 (2016: £218,000), of which employer's contributions totalled £283,000 (2016: £172,000) and employees' contributions totalled £73,000 (2016: £46,000). The agreed contribution rates for future years are 16.1% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.00 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	3.40 %	2.10 %

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

	2017 Years	2016 Years
Retiring today		
Males	22.5	22.4
Females	24.7	24.4
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.6

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25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,215,000	1,656,000
Corporate bonds	750,000	586,000
Property	375,000	280,000
Cash and other liquid assets	682,000	26,000
Total market value of assets	<u>4,022,000</u>	<u>2,548,000</u>

The actual return on scheme assets was £444,000 (2016: £369,000).

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

	2017 £	2016 £
Current service cost	(618,000)	(435,000)
Interest income	58,000	75,000
Interest cost	(145,000)	(175,000)
Total	<u>(705,000)</u>	<u>(535,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	6,603,000	4,343,000
Current service cost	618,000	435,000
Interest cost	145,000	175,000
Employee contributions	100,000	91,000
Actuarial (gains)/losses	(876,000)	1,559,000
Benefits paid	(57,000)	-
Closing defined benefit obligation	<u>6,533,000</u>	<u>6,603,000</u>

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25. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	2,548,000	1,759,000
Interest income	58,000	75,000
Actuarial losses	394,000	294,000
Employer contributions	365,000	329,000
Employee contributions	100,000	91,000
Benefits paid	(57,000)	-
	<u>3,408,000</u>	<u>2,548,000</u>
Closing fair value of scheme assets	<u>3,408,000</u>	<u>2,548,000</u>

26. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	32,522	33,973
Between 1 and 5 years	59,149	96,840
Total	<u>91,671</u>	<u>130,813</u>

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Mr J Foley, a Director, has provided consultancy services at cost to the Academy. During the year ended 31st August 2017 he was paid a total of £6,000 (2016: £4,000). No amounts were outstanding at the year end (2016: £NIL). A signed at cost certificate has been obtained in respect of this transaction, and the Academies Financial Handbook has been complied with.

28. MEMBERS' LIABILITY

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

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29. AGENCY ARRANGEMENTS

The MAC distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2017 the MAC received £30,576 and disbursed £19,408 from the fund. An amount of £11,168 is included in other creditors relating to undistributed funds that is repayable to the ESFA.