

Registration number: 07973953

The Northern Lincolnshire Catholic Academy Trust

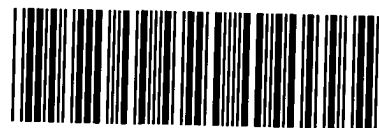
(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

Forrester Boyd Chartered Accountants
26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

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The Northern Lincolnshire Catholic Academy Trust

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The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details

Members	M McMahon C Thomas J Guest
Trustees (Directors)	E Brolly, Principal E C Carlile K J Coyle J Ducey S Durkin (resigned 30 September 2013) E S Jarosz D Lisle C R Mack G Marsden, Principal (resigned 31 December 2013) P McNicholas L A Mellows, Chair P Moran A Norton, Principal (resigned 31 July 2014) S Kilbride Pollard, Principal F Robinson D Sidaway, Principal (appointed 1 September 2014) G M Smith J Sulkowski, Principal P Tonge, Principal M M Travers, Principal J T Wheat (resigned 31 July 2014) P Wade L Wilson
Company Secretary	J Williams
Senior Management Team	M Travers, Principal, St Bede's Catholic Voluntary Academy E Brolly, Principal, St Augustine Webster Catholic Voluntary Academy S Kilbride Pollard, Principal, St Joseph's Catholic Primary Voluntary Academy J Sulkowski, Principal, St Bernadette's Catholic Primary Voluntary Academy A Norton, Principal, St Mary's Catholic Primary Voluntary Academy (Brigg) G Marsden, Principal, St Mary's Catholic Primary Voluntary Academy (Grimsby) P Tonge, Principal, St Norbert's Catholic Voluntary Academy D Sidaway, Principal, St Mary's Catholic Primary Voluntary Academy Brigg

The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details (continued)

**Principal and
Registered Office**

Holy Souls Presbytery
Frodingham Road
Scunthorpe
North Lincolnshire
DN15 7TA

Company Registration Number 07973953

Auditors

Forrester Boyd Chartered Accountants
26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

Bankers

Lloyds Bank PLC
104-108 High Street
Town Centre
Scunthorpe
DN15 6HG

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, a directors' report and a strategic report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 02 March 2012. The company registration number is 07973953.

The trustees oversee the charitable activities of The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) and are also directors of the charitable company for the purposes of company law. The Charitable company is known as the Northern Lincolnshire Catholic Academy Trust.

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

The Academy Trust had seven active academies during the period as follows :

- St Bede's Catholic Voluntary Academy
- St Augustine Webster's Catholic Voluntary Academy
- St Joseph's Catholic Primary Voluntary Academy
- St Bernadette's Catholic Primary Voluntary Academy
- St Mary's Catholic Primary Voluntary Academy (Brigg)
- St Mary's Catholic Primary Voluntary Academy (Grimsby)
- St Norbert's Catholic Primary Voluntary Academy

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.

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Method of recruitment and appointment or election of Trustees

- The Diocesan Trustees appoint foundation directors. At Least two Parish Priests are Foundation Directors
- The Principal of each Academy is appointed as a Director
- The Chair of each local Governing Body is appointed as a Director. The appointment of Chairman of each local Body is completed at each Local Governing Body meeting in the Autumn term by way of a vote process within this meeting.
- Parent Directors are elected by the parent members of the Local Governing Body of the Academies

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Governors.

Policies and procedures adopted for the induction and training of Trustees

Induction of new directors will be undertaken by:-

- Diocesan training
- A mentoring process with established Directors
- Relevant local authority training under the Governors Service Level Agreement for example with regard to 'Safeguarding'

Organisational structure

- Each Academy runs its own day to day management
- All Academies follow the CES (Catholic Education Service) policies where they exist as instructed by the Diocese.
- Other policies are initiated by the Principal of each Academy and are taken to the Local Governing Bodies for ratification.
- Each Local governing Body has its own sub committees which include Finance, Personnel and Health and Safety
- The Principal and Chairman of each Academy reports to the Academy Trust (NOLCAT) three times a year. These reports focus on Standards, Finance and Personnel issues.
- The Academy Trust considers joint projects where it would be financial beneficial to work together

Risk management

At its termly meetings the Academy Trust reviews that systems and procedures are in place to manage risk. The Statement of Internal Control has been considered already by the Academy Trust. A risk register has been compiled and strategies have been put in place by the Academy Trust to manage risk.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Connected organisations, including related party relationships

The Academy Trust is under the Trusteeship of the Diocese of Nottingham. The Trust is instructed by the Diocese to follow the CES policies. Each Academy within the Trust pays an Service Level Agreement (SLA) with the Diocese for support and training on educational matters.

Objectives and activities

Objects and aims

As a Trust the individual Academies agree to maintain unity and explore together the options available to secure the future of Catholic Schools in Northern Lincolnshire. All this is carried out whilst jointly pursuing the principal activities mentioned at the outset.

Objectives, strategies and activities

At the Trust meetings as evidenced by the minutes joint projects and procurement are considered and acted upon as appropriate. For example, consideration over the last year has been given to the Health and Safety providers, HR providers, and Staff Absence Insurers. Other strategies have included :

- Joint projects which have allowed the academies to negotiate costs with providers at a benefit to each individual academy
- Academies report back on the effectiveness of providers to the Trust to inform future decisions about providers.
- Individual schools aimed to continue a high level of educational performance and achievement.

Public benefit

The Academy Trust has had due regard to the guidance on public benefit published by the Charities Commission. The Trust wishes to promote the benefit of individuals living in Northern Lincolnshire through education and community use of facilities. All Academies are truly comprehensive and diverse in nature.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Achievements and Performance

The Trust has achieved joint Successes in:

- Consistency of approach with joint agreement of policies e.g. Pay Policy, Appraisal Policy, Sickness and Absence Policy, Capability Policy, Discipline Policy, Grievance Policy and all other CES policies.
- Joint procurement of services for example Health and Safety, HR, Accounting which lead to financial gains.
- Joint transition work e.g. Chaplaincy training.

St. Bede's Catholic Voluntary Academy

- The 5A*-C headline figure is broadly in line with the national average. The 2014 is a weaker cohort on entry compared with the 2013 cohort which was a significant plus.
- In spite of this Mathematics results compared favourably with 83% achieving A*-C (84% 2013)
- Improvements in the higher grades (without BTEC equivalents) shows improvement between 2012-2014: 5+ A/A* 5% 3+ A/A* 10% 1+A/A* 13%
- The Pupil Premium gap has narrowed between 2012-14 within school. Gap:2012-26%, 2013-23%, 2014-13%
- No permanent exclusions; low fixed term exclusions
- High attendance rate 96%; low NEETS 0.8%

Saint Bernadette's Catholic Primary Voluntary Academy

Percentage of pupils achieving 2+ Key stage 1

Reading 100%

Writing 95%

Maths 98%

EYFS good level of development 83%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 98%

Writing 88%

Maths 90%

Level 4+ maths, reading and writing 85%

SPaG 90%

2 levels of progress

Maths 90%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Reading 98%

Writing 98%

Maths reading and writing 90%

Number of permanent exclusions none

Number of fixed term exclusions none

Attendance 97%

St. Mary's Catholic Primary Voluntary Academy (Grimsby)

Percentage of pupils achieving 2+ Key stage 1 -

Reading 61%

Writing 64%

Maths 71%

EYFS good level of development 42%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 61%

Writing 61%

Maths 61%

Level 4+ maths, reading and writing 57%

SPaG 52%

2 levels of progress

Maths 78%

Reading 74%

Writing 83%

Maths reading and writing 78%

Number of permanent exclusions none

Number of fixed term exclusions 2

Attendance 95%

St. Augustine Webster Primary Voluntary Academy

Percentage of pupils achieving 2+ Key stage 1 -

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Reading 92%

Writing 88%

Maths 88%

EYFS good level of development 60%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 95%

Writing 82%

Maths 85%

Level 4+ maths, reading and writing 79%

SPaG 86%

2 levels of progress

Maths 88%

Reading 93%

Writing 88%

Maths reading and writing 79%

Number of permanent exclusions none

Number of fixed term exclusions none

Attendance 96%

St Norbert's Primary Catholic Voluntary Academy Crowle

Percentage of pupils achieving 4+ Key stage 2:-

Reading 100%

Writing 100%

Maths 100%

EYFS good level of development 76.5%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 87%

Writing 87%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Maths 100%

Level 4+ maths, reading and writing 87%

SPaG 86%

2 levels of progress

Maths 100%

Reading 87%

Writing 93%

Maths reading and writing 80%

Number of permanent exclusions none

Number of fixed term exclusions none

Attendance 97%

St Joseph's Catholic Primary Voluntary Academy.

Percentage of pupils achieving 2+ Key stage 1 -

Reading 93%

Writing 75%

Maths 93%

EYFS good level of development 73%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 75%

Writing 54%

Maths 61%

Level 4+ maths, reading and writing 54%

SPaG 36%

2 levels of progress

Maths 86%

Reading 93%

Writing 93%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Maths reading and writing 91%

Number of permanent exclusions none

Number of fixed term exclusions none

Attendance 97%

St Mary's Catholic Primary Voluntary Academy Brigg

Percentage of pupils achieving 2+ Key stage 1 –

Reading 81%

Writing 77%

Maths 92%

EYFS good level of development 69%

Percentage of pupils achieving 4+ Key stage 2:-

Reading 88%

Writing 84%

Maths 73%

Level 4+ maths, reading and writing 73%

SPaG 62%

2 levels of progress

Maths 77%

Reading 100%

Writing 100%

Maths reading and writing 77%

Number of permanent exclusions none

Number of fixed term exclusions none

Attendance 96.3%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Financial Key Performance Indicators

Salaries for the Trust were maintained at 71% (2013: 70%) of income (not including donated fixed assets).

Salaries represented 76% of total expenditure (2013: 75%) and this is within acceptable levels for the Trust.

Other costs were maintained at appropriate levels whilst funding income was also consistent, leading to a financially strong position for the trust at the end of the year.

Going concern

After making appropriate enquiries, the Governing Body 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 Statement of Accounting Policies. These conclusions apply at both individual academy and full trust level.

Principal risks and uncertainties

- Each Academy reviews risks and uncertainties at local Governance level. Each Academy has its own Finance and Personnel sub committees. A three year financial plan is drawn up by each Academy.
- Each Academy reports back to the Trust on the principal risks and uncertainties at each Trust meeting.
- NOLCAT monitors financial planning for each Academy, evaluates risk and evaluates any strategies in place to reduce risk.
- At each termly meeting the Trust reviews the needs of each Academy and if necessary implements a support mechanism.

Financial review

The results for the period show overall reserves of £16,656,833. (2013 : £212,439).

These are made up of revenue reserves of £1,806,713 (2013: £1,475,871), fixed asset reserves of £17,394,120 (2013: £704,568), and an LGPS pension deficit of £2,544,000 (2013: £1,968,000). The major increase is due to the gift in kind of school land and buildings to St Bede's Academy due to the granting of a 125 year lease by the Diocese. The rest of the increase represents careful management of funding and expenditure throughout the trust.

Each school within the trust has managed its own finances through strict budgetary controls and regular reviews of management information.

The principal source of funding has been EFA grants during the period. These have supported the key objectives of the trust in this first period in helping to establish the academy whilst continuing to provide the expected levels of education.

Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an academy. It is possible that the deficit can have an effect on the cashflow of the academy, as it may mean the contributions will have to change again in the future.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Financial and risk management objectives and policies

Governors at each school and the Trust as a whole review potential risks regularly to ensure they are well aware of the possible future risks to the Trust. Reviews are undertaken by the Finance committees at individual Academies, along with the full governing body meetings of the Trust, and includes financial and operational risks including budget risks, health and safety reviews, safeguarding students, strategic and reputational risks and the risk of non-compliance with statutory obligations. Some significant risks such as public and employment liability are covered by the school's insurance policies.

Reserves policy

The Trust has a policy whereby each Academy states the level of reserves held and why they are held. Each Academy has to explain and quantify what the funds are set aside for in the future and when it is anticipated that they will be used. Current levels of reserves held are considered appropriate for covering any unexpected expenditure or temporary drop in income.

Investment policy

The Trust has a policy to review cash balances regularly at its termly meeting ensuring that when appropriate necessary investments can be made taking into consideration social, environmental and ethical considerations in relation to the tenets of the Catholic Church.

Plans for future periods

The Trust plans to extend the joint working together of the Academies for:

- Continuum of education for the child so that a child's learning journey is from 2 - 16
- Staff Training
- Procurement - extending joint provision so that the cost of Service Level Agreements is reduced.

Auditor

In so far as the Trustees are aware:

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

Reappointment of auditor

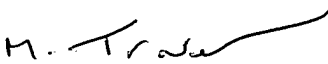
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 15 December 2014 and signed on its behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to M M Travers, 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 Northern Lincolnshire Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
L A Mellows	3	3
E C Carlile	0	3
K J Coyle	1	3
J Ducey	3	3
E S Jarosz	3	3
D Lisle	1	1
C R Mack	2	3
G Marsden	0	1
P McNicholas	1	3
A Norton	3	3
S Kilbride Pollard	3	3
F Robinson	1	3
G M Smith	3	3
J Sulkowski	3	3
P Tonge	3	3
M M Travers	2	3
J T Wheat	2	3
J Williams	3	3
P Moran	3	3
E Brolly	3	3
L Wilson	3	3
S Durkin	0	3

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Governance reviews

The Trust continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified.

Each academy within the trust has its own Finance and Audit Committee. Its purpose is to review financial systems, budgets and other financial reports as well as Internal Reviews during the year.

Each member on the committees as listed below is a governor of the individual academy, however not a trustee of the NOLCAT, unless indicated.

The Directors of the NOLCAT who are on the committees, report back to the academy trust.

St. Bede's	Meetings attended	Out of possible
K. Coyle NOLCAT Trustee	5	6
M. Travers Headteacher NOLCAT Trustee	6	6
P. Readhead	6	6
M. Waldron	5	6
K. Matthews	3	6
St. Bernadette's	Meeting attended	Out of possible
J Sulkowski Headteacher NOLCAT Trustee	9	9
P Moran NOLCAT Trustee	8	9
P King	9	9
V Grimes	6	9
M Waldron	8	9
C Kennedy	2	9
St. Augustine Websters	Meeting attended	Out of possible
Father E Jarosz NOLCAT Trustee	2	5
Mr D Lisle NOLCAT Trustee	4	5
Mrs S Jolley	4	5
Mrs A Grab	4	5
Mrs E Brolly Headteacher NOLCAT Trustee	5	5
Saint Joseph's	Meetings attended	Out of possible
Amanda Mellows NOLCAT Trustee	3	3
Sarah Pollard Headteacher NOLCAT Trustee	3	3
Christopher Mack NOLCAT Trustee	3	3
M Walker Head of Academy joined May 2014	1	1

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Graham Purdue	3	3
Maria Wilkin	2	3
Steve Jackson	3	3
St. Mary's Brigg	Meetings attended	Out of possible
G. Smith NOLCAT Trustee	5	5
A. Norton Headteacher NOLCAT Trustee	4	5
E. Patchett	4	5
C king	5	5
P. Smith	5	5
J. Charles-Lee	5	5
St Mary's Grimsby	Meetings attended	Out of possible
G Marsden Exec Head NOLCAT Trustee	3	3
Mrs S. Pollard Head NOLCAT Trustee	7	7
J Ducey NOLCAT Trustee	7	7
G Krawiec	7	7
P Lamb	4	7
S Winter	5	7
Mrs P Weston	0	7
Mrs.C. McHale	3	7
Mr. N. Moore	6	7
J Wheat NOLCAT Trustee	3	7
St Norbert's	Meetings attended	Out of possible
Mr C Kelsey	4	4
Mr C Poole	3	4
Mrs F Robinson NOLCAT	3	4
Mrs P Tonge Headteacher NOLCAT Trustee	3	4

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 Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Governing Body 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 Governing Body 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 ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance and Audit Committees at the individual academies 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 Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the individual Academies have appointed various external parties to perform internal reviews, the results of which are fed back to the Trust.

This role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Reviews during the year have reported on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities at each individual Academy.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Review of effectiveness

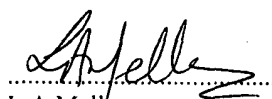
As Accounting Officer, M M Travers, Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work done as part of the internal reviews
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of reviews of the system of internal control by the individual Academy finance committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

There were no material control or other issues reported by the internal reviews to date.

Approved by order of the members of the Governing Body on 15 December 2014 and signed on its behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee


The Northern Lincolnshire Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Northern Lincolnshire Catholic Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Governing Body 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.

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 Governing Body and EFA.



.....
M M Travers, Principal
Accounting officer
15 December 2014

The Northern Lincolnshire Catholic Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014, issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

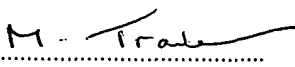
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board on 15 December 2014 and signed on its behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The Northern Lincolnshire Catholic Academy Trust

We have audited the financial statements of The Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2014, issued by the Education Funding Agency.

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Northern Lincolnshire Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The Northern Lincolnshire Catholic Academy Trust (continued)

Matters on which we are required to report by exception

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

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



Kevin Hopper ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants , Statutory Auditor

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

15 December 2014

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the NOLCAT's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:


- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives, and obtaining representations from the Accounting Officer and other Key Management Personnel.

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kevin Hopper ACA (Reporting Accountant)
For and on behalf of Forrester Boyd Chartered Accountants

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

15 December 2014

The Northern Lincolnshire Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	67,510	16,342,092	16,409,602	63,930
Activities for generating funds	3	325,868	-	325,868	287,626
Investment income	4	2,525	-	2,525	1,877
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	<u>10,170,547</u>	<u>124,984</u>	<u>10,295,531</u>	<u>9,983,068</u>
Total incoming resources		<u>10,566,450</u>	<u>16,467,076</u>	<u>27,033,526</u>	<u>10,336,501</u>
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		60,817	-	60,817	51,127
Cost of generating funds		310,929	-	310,929	250,539
Transfer on conversion		-	-	-	142,243
<i>Charitable activities:</i>					
Academy's educational operations		9,347,036	104,628	9,451,664	8,911,077
Governance costs	8	<u>178,722</u>	<u>-</u>	<u>178,722</u>	<u>140,176</u>
Total resources expended	6	<u>9,897,504</u>	<u>104,628</u>	<u>10,002,132</u>	<u>9,495,162</u>
Net incoming resources before transfers		668,946	16,362,448	17,031,394	841,339
Gross transfers between funds		<u>(327,104)</u>	<u>327,104</u>	<u>-</u>	<u>-</u>
Net income for the year		341,842	16,689,552	17,031,394	841,339
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	24	<u>(587,000)</u>	<u>-</u>	<u>(587,000)</u>	<u>(10,000)</u>
Net movement in (deficit)/funds		(245,158)	16,689,552	16,444,394	831,339

The Northern Lincolnshire Catholic Academy Trust

**Statement of Financial Activities for the Year Ended 31 August 2014
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)**

	Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Reconciliation of funds					
(Deficit)/funds brought forward at 1 September 2013		<u>(492,129)</u>	<u>704,568</u>	<u>212,439</u>	<u>(618,900)</u>
(Deficit)/funds carried forward at 31 August 2014		<u><u>(737,287)</u></u>	<u><u>17,394,120</u></u>	<u><u>16,656,833</u></u>	<u><u>212,439</u></u>

All of the Academy's activities derive from continuing operations during the above two periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

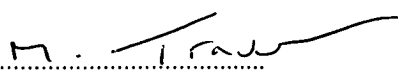
The Northern Lincolnshire Catholic Academy Trust

(Registration number: 07973953)
Balance Sheet as at 31 August 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	17,362,842	674,780
Current assets			
Stocks	13	8,443	11,622
Debtors	14	250,543	215,928
Cash at bank and in hand		<u>2,389,138</u>	<u>1,836,364</u>
		2,648,124	2,063,914
Creditors: Amounts falling due within one year	15	<u>(810,133)</u>	<u>(558,256)</u>
Net current assets		<u>1,837,991</u>	<u>1,505,658</u>
Total assets less current liabilities		<u>19,200,833</u>	<u>2,180,438</u>
Net assets excluding pension liability		19,200,833	2,180,438
Pension scheme liability	24	<u>(2,544,000)</u>	<u>(1,967,999)</u>
Net assets including pension liability		<u><u>16,656,833</u></u>	<u><u>212,439</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,806,713	1,475,871
Restricted fixed asset fund		17,394,120	704,568
Restricted pension fund		<u>(2,544,000)</u>	<u>(1,968,000)</u>
		<u>16,656,833</u>	<u>212,439</u>
Total funds		<u><u>16,656,833</u></u>	<u><u>212,439</u></u>

The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 15 December 2014 and signed on their behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	998,589	914,682
Cash transferred on conversion to an academy trust		-	281,243
Returns on investments and servicing of finance	20	2,525	1,877
Capital expenditure and financial investment	21	<u>(448,340)</u>	<u>(252,173)</u>
Increase in cash in the year	22	<u><u>552,774</u></u>	<u><u>945,629</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	552,774	945,629
Net funds at 1 September 2013	<u>1,836,364</u>	<u>890,735</u>
Net funds at 31 August 2014	<u><u>2,389,138</u></u>	<u><u>1,836,364</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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 is certainty of receipt.

Donations

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

Other income

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

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

During the year, St Bede's Catholic Voluntary Academy, became party to a 125 year lease on the land and buildings they operate from. Extensive building works were completed on the buildings during the year as part of the BSF programme.

As the risks and rewards of ownership are deemed to have transferred to the Trust, St Bede's land and buildings have been recognised as a Gift in Kind during the year. The land and buildings are valued at depreciated replacement cost, based on the results of a professional valuation.

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing between £750 - £1,000 (this varies between the individual academies) or more are capitalised as tangible fixed assets 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold land	125 years straight line basis
Plant and machinery	15% straight line basis
Computer equipment	33% straight line basis
Fixtures and furniture	25% straight line basis
Buildings	50 years straight line basis

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 trustees.

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

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

2 Voluntary income

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Educational trips and visits	55,491	-	55,491	53,247
Donations - capital	-	16,342,092	16,342,092	-
Other donations	12,019	-	12,019	10,683
	<u>67,510</u>	<u>16,342,092</u>	<u>16,409,602</u>	<u>63,930</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

3 Activities for generating funds

	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	17,517	17,517	16,897
Catering income	25,281	25,281	21,389
Transport Income	59,764	59,764	83,877
School Trips and Clubs Income	60,697	60,697	44,095
Other Income	162,609	162,609	121,368
	<u>325,868</u>	<u>325,868</u>	<u>287,626</u>

4 Investment income

	Restricted funds £	Total 2014 £	Total 2013 £
Bank Interest	<u>2,525</u>	<u>2,525</u>	<u>1,877</u>

5 Funding for Academy's educational operations

	School	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grants					
Capital Grants	St Bede's Catholic Voluntary Academy	-	15,543	15,543	15,357
Capital Grants	St Augustine Webster Catholic Academy	-	8,979	8,979	9,085
Capital Grants	St Bernadette's Catholic Primary Voluntary Academy	-	7,555	7,555	7,296

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Capital Grants	School St Joseph's Catholic Primary Voluntary Academy	-	6,037	6,037	15,028
Capital Grants	St Norberts Catholic Primary Academy	-	5,271	5,271	5,288
Capital Grants	St Mary's Catholic Primary Voluntary Academy (Grimsby)	-	10,687	10,687	23,717
Capital Grants	St Mary's Catholic Primary Voluntary Academy (Brigg)	-	6,037	6,037	5,991
AMF Capital Grant	St Mary's Catholic Primary Voluntary Academy (Brigg)	-	42,075	42,075	42,075
AMF Capital Grant	St Augustine Webster Catholic Academy	-	22,800	22,800	-
		<u>-</u>	<u>124,984</u>	<u>124,984</u>	<u>123,837</u>
DfE/EFA revenue grants					
General Annual Grant	St Bede's Catholic Voluntary Academy	3,555,230	-	3,555,230	3,434,734
General Annual Grant	St Mary's Catholic Primary Voluntary Academy (Brigg)	708,886	-	708,886	680,150

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
	School				
General Annual Grant	St Joseph's Catholic Primary Voluntary Academy	791,753	-	791,753	798,759
General Annual Grant	St Augustine Webster Catholic Academy	1,573,251	-	1,573,251	1,601,172
General Annual Grant	St Bernadette's Catholic Primary Voluntary Academy	1,135,289	-	1,135,289	1,082,729
General Annual Grant	St Norberts Catholic Primary Academy	446,378	-	446,378	411,961
General Annual Grant	St Mary's Catholic Primary Voluntary Academy (Grimsby)	1,010,660	-	1,010,660	819,934
Pupil Premium Grant	St Bede's Catholic Voluntary Academy	147,257	-	147,257	126,782
Pupil Premium Grant	St Mary's Catholic Primary Voluntary Academy (Brigg)	34,636	-	34,636	18,170
Pupil Premium Grant	St Joseph's Catholic Primary Voluntary Academy	49,753	-	49,753	35,766

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
	School				
	St Bernadette's Catholic Primary Voluntary Academy				
Pupil Premium Grant		66,343	-	66,343	43,873
	St Mary's Catholic Primary Voluntary Academy (Grimsby)				
Pupil Premium Grant		109,136	-	109,136	44,583
	St Norberts Catholic Primary Academy				
Pupil Premium Grant		12,327	-	12,327	4,246
	St Augustine Webster Catholic Academy				
Pupil Premium Grant		68,716	-	68,716	45,180
		<u>9,709,615</u>	<u>-</u>	<u>9,709,615</u>	<u>9,148,039</u>
Other government grants					
	St Bernadette's Catholic Primary Voluntary Academy				
Other Government Grants		141,332	-	141,332	206,872
	St Bede's Catholic Voluntary Academy				
Other Government Grants		15,397	-	15,397	140,144
	St Mary's Catholic Primary Voluntary Academy (Brigg)				
Other Government Grants		12,335	-	12,335	30,691
	St Augustine Webster Catholic Academy				
Other Government Grants		152,403	-	152,403	171,188

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
	School				
	St Joseph's				
	Catholic				
	Primary				
Other Government	Voluntary				
Grants	Academy	24,083	-	24,083	30,239
	St Norberts				
	Catholic				
Other Government	Primary				
Grants	Academy	62,419	-	62,419	48,505
	St Mary's				
	Catholic				
	Primary				
Other Government	Voluntary				
Grants	Academy	52,963	-	52,963	83,553
	(Grimsby)				
		<u>460,932</u>	<u>-</u>	<u>460,932</u>	<u>711,192</u>
Total grants		<u>10,170,547</u>	<u>124,984</u>	<u>10,295,531</u>	<u>9,983,068</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources expended

	Staff costs	Premises	Other costs	Total	Total
	£	£	£	2014	2013
				£	£
Costs of generating voluntary income	-	60,817	-	60,817	193,370
Costs of activities for generating funds	140,472	-	170,457	310,929	250,539
Academy's educational operations					
Direct costs	6,256,871	-	1,085,798	7,342,669	6,990,188
Allocated support costs	<u>1,157,032</u>	<u>723,804</u>	<u>228,159</u>	<u>2,108,995</u>	<u>1,920,889</u>
	7,413,903	723,804	1,313,957	9,451,664	8,911,077
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>178,722</u>	<u>178,722</u>	<u>140,176</u>
	<u><u>7,554,375</u></u>	<u><u>784,621</u></u>	<u><u>1,663,136</u></u>	<u><u>10,002,132</u></u>	<u><u>9,495,162</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases:		
Operating leases - plant and machinery	32,887	17,713
Fees payable to auditor - audit	22,310	21,875
Other services	6,695	8,525
Depreciation	<u>102,370</u>	<u>70,603</u>

7 Charitable activities

	Total 2014 £	Total 2013 £
Direct costs - educational operations		
Teaching and educational support staff costs	6,256,871	5,960,576
Educational supplies	368,548	337,528
Staff development	99,314	82,053
Educational consultancy	424,763	399,119
Other direct costs	<u>193,173</u>	<u>210,912</u>
	<u>7,342,669</u>	<u>6,990,188</u>
Support costs - educational operations		
Support staff costs	1,227,032	1,161,171
FRS 17 service cost adjustment	(70,000)	(137,000)
Depreciation	102,370	70,603
Maintenance of premises and equipment	210,490	204,392
Cleaning	36,177	24,598
Rent, rates and utilities	248,417	233,464
Insurance	126,350	135,323
Bank interest and charges	306	324
Expected return on scheme assets	(123,000)	(64,000)
Interest on defined benefit pension scheme	182,000	130,000
Other support costs	<u>168,853</u>	<u>162,014</u>
	<u>2,108,995</u>	<u>1,920,889</u>
	<u>9,451,664</u>	<u>8,911,077</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

8 Governance costs

	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	149,717	149,717	109,776
Auditors' remuneration			
Audit of financial statements	22,310	22,310	21,875
Internal Review service	6,695	6,695	8,525
	<u>178,722</u>	<u>178,722</u>	<u>140,176</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff costs

	2014 £	2013 £
Staff costs during the year were:		
Wages and salaries	6,062,395	5,673,176
Social security costs	385,758	365,357
Pension costs	956,213	840,435
Supply teacher costs	150,009	159,506
	<u>7,554,375</u>	<u>7,038,474</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,289 (2013: £28,000). Payments exceeding £5,000 individually are as follows:

Non-contractual payments £5,689

Non-contractual payments £8,600

Non-contractual payments £10,000

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No	2013 No
Charitable Activities		
Teachers	99	91
Administration and support	87	95
Management	21	22
	<u>207</u>	<u>208</u>

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

	2014 No	2013 No
£60,001 - £70,000	5	3
£80,001 - £90,000	<u>1</u>	<u>1</u>

6 (2013 - 4) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £57,545 (2013 - £35,153).

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

M M Travers : £85,000 - £90,000 (2013 - £85,000 - £90,000)

S Kilbride Pollard : £55,000 - £60,000 (2013 - £55,000 - £60,000)

E Brolly : £65,000 - £70,000 (2013 - £65,000 - £70,000)

J Sulkowski : £65,000 - £70,000 (2013 - £60,000 - £65,000)

A Norton : £60,000 - £65,000 (2013 - £60,000 - £65,000)

P Tonge : £55,000 - £60,000 (2013 - £55,000 - £60,000)

£87,228 was paid to the highest paid director, along with pension contributions of £12,299.

During the year ended 31 August 2014, travel and expenses totalling £2,654 (2013 - £2,248) were reimbursed to 1 trustees (2013 - 2).

Related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 (2013: £2,000,000) (per academy) on any one claim and the cost for the period ended 31 August 2014 was approximately £300 (2013: £300) (per academy).

The cost of this insurance is included in the total insurance cost.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2013	442,033	144,737	175,910	762,680
Additions	<u>16,650,936</u>	<u>30,835</u>	<u>108,661</u>	<u>16,790,432</u>
At 31 August 2014	<u>17,092,969</u>	<u>175,572</u>	<u>284,571</u>	<u>17,553,112</u>
Depreciation				
At 1 September 2013	3,085	34,502	50,313	87,900
Charge for the year	<u>7,129</u>	<u>40,705</u>	<u>54,536</u>	<u>102,370</u>
At 31 August 2014	<u>10,214</u>	<u>75,207</u>	<u>104,849</u>	<u>190,270</u>
Net book value				
At 31 August 2014	<u>17,082,755</u>	<u>100,365</u>	<u>179,722</u>	<u>17,362,842</u>
At 31 August 2013	<u>438,948</u>	<u>110,235</u>	<u>125,597</u>	<u>674,780</u>

The individual academies within the trust also occupy land and property owned by the Diocesan Trustees. Where there is no formal lease in place, these assets are not included in the above figures, as they are held based on an informal "licence to operate" in the properties owned by the Diocese.

The trust's transactions relating to land and buildings included:

- the acquisition of a 125 year leasehold on St Bede's Land and School Buildings which was donated to the trust at a value of £16,342,092

13 Stock

	2014 £	2013 £
Stocks	<u>8,443</u>	<u>11,622</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

14 Debtors

	2014 £	2013 £
Trade debtors	7,949	3,720
Prepayments	69,440	70,347
VAT recoverable	87,415	82,611
Other debtors	85,739	59,250
	<u>250,543</u>	<u>215,928</u>

15 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	403,223	351,683
Other taxation and social security	198,937	187,010
Accruals	76,619	19,563
Deferred income	131,354	-
	<u>810,133</u>	<u>558,256</u>
		2014
		£
Resources deferred in the period		<u>131,354</u>

The deferred income held relates to free school meals grants, provided before the 31st August, but for use in the following academic year.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant	556,711	9,221,447	(8,679,158)	(327,104)	771,896
Other Government Grant	222,626	399,028	(399,777)	130	222,007
Other DfE Grants	146,139	550,071	(457,822)	-	238,388
St Bernadette's Catholic Primary Voluntary Academy	41,719	24,586	(11,119)	-	55,186
St Bede's Catholic Voluntary Academy	83,409	175,930	(125,657)	(875)	132,807
St Augustine Webster Catholic Academy	73,529	44,939	(36,424)	-	82,044
St Joseph's Catholic Primary Voluntary Academy	18,189	12,413	18,076	-	48,678
St Mary's Catholic Primary Voluntary Academy (Brigg)	45,332	30,921	(61,454)	745	15,544
St Norbert's Catholic Primary Voluntary Academy	58,368	89,964	(130,684)	-	17,648
St Mary's Catholic Primary Academy	229,849	17,151	(24,485)	-	222,515
	<u>1,475,871</u>	<u>10,566,450</u>	<u>(9,908,504)</u>	<u>(327,104)</u>	<u>1,806,713</u>
Restricted fixed asset funds					
DfE Capital Grant	119,396	60,109	(2,258)	-	177,247
AMF Capital Grant	42,075	64,875	-	-	106,950
Restricted Fixed Asset Fund	197,891	-	(93,631)	327,104	431,364
Donated assets from LA	345,206	-	(8,739)	-	336,467
St Bede's School Land and Buildings from Diocese	-	16,342,092	-	-	16,342,092
	<u>704,568</u>	<u>16,467,076</u>	<u>(104,628)</u>	<u>327,104</u>	<u>17,394,120</u>
Restricted pension funds					
Pension reserve	(1,968,000)	-	11,000	(587,000)	(2,544,000)
Total funds	<u>212,439</u>	<u>27,033,526</u>	<u>(10,002,132)</u>	<u>(587,000)</u>	<u>16,656,833</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs. This is included within other government grants as part of restricted funds.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated, this is included within other DfE income. The grant does not have to be completely spent by schools in the financial year. This is included within other DfE grants as part of restricted funds.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the school transferred from the local authority on conversion. The expenditure is the depreciation of the buildings since conversion up to the 31 August 2014.

St Bede's school buildings refers to the land and buildings, owned by the Diocese, for which a 125 year lease was granted during 2014.

The restricted funds allocated to individual schools represent the general funds of each individual academy. The funds can only be spent at the academy which generates them. Where there is a high level of funds held at the period end, necessary capital activity is planned to utilise these resources.

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 2014

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
St Augustine Webster Catholic Academy	165,257
St Mary's Catholic Primary Voluntary Academy (Brigg)	46,489
St Bede's Catholic Voluntary Academy	751,727
St Joseph's Catholic Primary Voluntary Academy	68,951
St Bernadette's Catholic Primary Voluntary Academy	340,237
St Mary's Catholic Primary Voluntary Academy (Grimsby)	399,844
St Norberts Catholic Primary Academy	34,208
	<hr/>
Total before fixed assets and pension reserve	1,806,713
Restricted Fixed Asset Fund	17,394,120
Pension reserve	(2,544,000)
	<hr/>
Total	<u>16,656,833</u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
St Augustine Webster Catholic Academy	1,081,892	234,736	59,275	330,798	1,706,701
St Mary's Catholic Primary Voluntary Academy (Brigg)	492,740	96,193	9,065	206,530	804,528
St Bede's Catholic Voluntary Academy	2,326,967	479,761	79,327	708,504	3,594,559
St Joseph's Catholic Primary Voluntary Academy	615,370	113,804	13,936	115,570	858,680
St Bernadette's Catholic Primary Voluntary Academy	840,685	118,748	39,256	251,553	1,250,242
St Mary's Catholic Primary Voluntary Academy (Grimsby)	588,964	219,887	39,315	239,045	1,087,211
St Norberts Catholic Primary Academy	346,917	67,701	20,780	162,443	597,841
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	<u>6,293,535</u>	<u>1,330,830</u>	<u>260,954</u>	<u>2,014,443</u>	<u>9,899,762</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

17 Analysis of net assets between funds

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	17,362,842	17,362,842
Current assets	2,616,846	31,278	2,648,124
Current liabilities	(810,133)	-	(810,133)
Pension scheme liability	<u>(2,544,000)</u>	<u>-</u>	<u>(2,544,000)</u>
Total net assets	<u>(737,287)</u>	<u>17,394,120</u>	<u>16,656,833</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18 Financial commitments

Operating leases

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

Operating leases which expire:

	2014	2013
	£	£
Other		
Within one year	1,466	10,640
Within two to five years	<u>39,772</u>	<u>7,073</u>
	<u><u>41,238</u></u>	<u><u>17,713</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	17,031,394	841,339
Depreciation	102,370	70,598
Transfers On Conversion	(16,342,092)	142,243
Interest receivable	(2,525)	(1,877)
FRS 17 expected return on scheme assets	(123,000)	(64,000)
FRS 17 interest on defined benefit pension scheme	182,000	130,000
FRS17 service cost adjustment	(70,000)	(137,000)
Decrease in stocks	3,179	3,301
Increase in debtors	(34,615)	(110,984)
Increase in creditors	<u>251,878</u>	<u>41,062</u>
Net cash inflow from operating activities	<u>998,589</u>	<u>914,682</u>

20 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	<u>2,525</u>	<u>1,877</u>
Net cash inflow from returns on investments and servicing of finance	<u>2,525</u>	<u>1,877</u>

21 Capital expenditure and financial investment

	2014 £	2013 £
Acquisition of tangible fixed assets	(16,790,432)	(252,173)
Donated tangible fixed assets	<u>16,342,092</u>	<u>-</u>
Net cash outflow from capital expenditure and financial investment	<u>(448,340)</u>	<u>(252,173)</u>

22 Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	<u>1,836,364</u>	<u>552,774</u>	<u>2,389,138</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 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.

24 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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.

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £554,000 (2013 - £534,000), of which employer's contributions totalled £464,000 (2013 - £454,000) and employees' contributions totalled £90,000 (2013 - £80,000). The agreed contribution rates for future years are 27 per cent for employers and 5-7 per cent for employees.

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

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	3.90	5.10
Rate of increase for pensions in payment/inflation	2.60	2.80
Discount rate for scheme liabilities	<u>3.70</u>	<u>4.60</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5%	0.0%	- 0.5%
Adjustment to rate of inflation	£	£	£
Present value of total obligation	<u>114,000</u>	<u>-</u>	<u>-</u>
Adjustment to rate of salary growth	£	£	£
Present value of total obligation	<u>78,000</u>	<u>-</u>	<u>-</u>
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present value of total obligation	<u>£ 49,000</u>	<u>-</u>	<u>-</u>

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

	At 31 August 2014	At 31 August 2013
Retiring today		
Males retiring today	22.00	23.00
Females retiring today	24.00	26.00
Retiring in 20 years		
Males retiring in 20 years	24.00	25.00
Females retiring in 20 years	<u>27.00</u>	<u>28.00</u>

The academy's share of the assets and liabilities in the scheme were:

	At 31 August 2014 £	At 31 August 2013 £
Equities	1,851,000	1,373,000
Corporate bonds	241,000	179,000
Property	168,000	107,000
Cash	<u>145,000</u>	<u>126,000</u>
Total market value of assets	2,405,000	1,785,000
Present value of scheme liabilities - funded	<u>(4,949,000)</u>	<u>(3,753,000)</u>
Deficit in the scheme	<u>(2,544,000)</u>	<u>(1,968,000)</u>

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.00	7.00
Corporate bonds	3.00	4.00
Property	5.00	5.00
Cash	<u>3.00</u>	<u>4.00</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £223,000 (2013 - £187,000).

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost	(70,000)	317,000
Total operating charge	<u>(70,000)</u>	<u>317,000</u>

Analysis of pension finance income/(costs)

	2014 £	2013 £
Expected return on pension scheme assets	123,000	64,000
Interest on pension liabilities	(182,000)	130,000
Pension finance (costs)/income	<u>(59,000)</u>	<u>194,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£1,184,000) (2013 - (£597,000)).

Movements in the present value of defined benefit obligation

	2014 £	2013 £
At 1 September	3,753,000	3,094,000
Current service cost	394,000	317,000
Interest cost	182,000	130,000
Employee contributions	90,000	80,000
Actuarial losses	561,000	132,000
Benefits paid	(31,000)	-
At 31 August	<u>4,949,000</u>	<u>3,753,000</u>

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

	2014 £	2013 £
At 1 September	1,785,000	1,065,000
Expected return on assets	123,000	64,000
Actuarial (losses)/gains	(26,000)	122,000
Employer contributions	464,000	454,000
Employee contributions	90,000	80,000
Benefits paid	(31,000)	-
At 31 August	<u>2,405,000</u>	<u>1,785,000</u>

The estimated value of employer contributions for next period is £405,000 (2013 - £504,000).

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

	2014 £	2013 £	2012 £
Present value of scheme liabilities	(4,949,000)	(3,753,000)	(2,505,000)
Fair value of scheme assets	<u>2,405,000</u>	<u>1,785,000</u>	<u>930,000</u>
Deficit in the scheme	<u>(2,544,000)</u>	<u>(1,968,000)</u>	<u>(1,575,000)</u>

Comparative figures have not been restated as permitted by FRS 17.

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted in accordance with EFA direction, the Academy's financial regulations and normal procurement procedures.

During the year the academy made the following related party transactions:

Lisle Marsden Academy

The academy is related to the trust due to common key personnel. One NOLCAT trustee acted as Head for the above and for one of the Academies within the trust (St Mary's Grimsby). This trustee resigned in December 2013.

The Head Teacher was remunerated for their services to St Mary's Grimsby via recharges paid to Lisle Marsden Academy. Amounts paid by St Mary's Grimsby to Lisle Marsden during the year were £14,656 (2013 : 18,232). At the balance sheet date the amount due to Lisle Marsden Academy was £Nil (2013 - £Nil).

The Nottingham Roman Catholic Diocese

The Trust operates under the guidance of the Diocese and occupies property owned by the Diocese.

The Trust paid contributions to the Diocese of £13 per pupil during the year, totalling £28,286. This represents the standard contribution for membership and use of the Diocesan education service

The Trust also paid the Diocese for other professional fees and services arising during the year, totalling £23,001. At the balance sheet date the amount due to The Nottingham Roman Catholic Diocese was £Nil (2013 - £Nil).