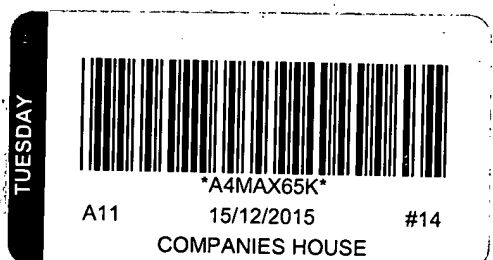


Registered number: 08068528

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**



**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

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**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

<b>Members</b>	Mr S Fenning The Brentwood Diocesan Trust The Right Reverend A Williams
<b>Trustees</b>	Mr S Fenning, Chair of Trustees Mrs C Bonich Mr G Herbert Dr C Hall Sister C Brennan Mr D Sabini Mrs E Hayes Mrs M Breeze Mr P Campbell Mrs L Saker Mr D Kelway Mrs E Lumber Mrs L Leggett Mrs V Reynolds Mrs C Parker Mrs B Harris Mr B Turnbull (appointed 18 May 2015) Reverend A McKentey Dr M Thalanany (resigned 9 December 2014)
<b>Company Secretary</b>	Ms S French
<b>Senior Leadership Team</b>	Mrs B Harris, Executive Head Mrs E Hayes, St Thomas More's Deputy Headteacher Mrs N Banthorpe, St Thomas More's Mrs L Saker, St Thomas More's Mr D Peck, St Thomas More's Mrs M Breeze, St Clare's Head of School Mrs D Ford, St Clare's Mrs A Drury, St Clare's Mrs A Miller, St Clare's
<b>Chief Executive Officer</b>	Mrs B Harris
<b>Registered and principal office</b>	Priory Street Colchester Essex CO1 2QB
<b>Company registered number</b>	08068528
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Primary Excellence – A Catholic Multi Academy Trust (the Charitable Company or MAT) for the year ended 31 August 2015. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operate 2 primary academies in 2014/15. It's Academies have a combined pupil capacity of 525 and a roll of 516 in the 2015 school census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The MAT is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are it's primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable in this report. The term Governor relates to a member of a Local Governing Body (LGB).

The Academy Trust comprises the following Schools

- St. Thomas More's Colchester
- St. Clare's Clacton

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

**Member's liability**

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

**Trustee and Officers' Indemnities**

In accordance with normal commercial practice each School has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on MAT business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 10 to the accounts.

**Method of recruitment and appointment or election of Trustees**

Trustees are appointed for a fixed term. The Principal is an ex officio member of the Board of Trustees. Parent Trustees and the Staff Trustees are elected to office, Foundation Trustees are appointed by the Diocese of Brentwood.

New Trustees are required to attend a training programme and are provided with a Trustees handbook. The induction programme includes a tour of the Schools, meetings with the Principal and, where appropriate, members of the Senior Leadership Team (SLT). They are provided with policy and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

The governance of the MAT is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 3 occasions per year, are responsible for setting general policy, adopting an annual plan and budget, monitoring the Schools by the use of budgets and making major decisions about the direction of the MAT, capital expenditure and key staff appointments. This Board contains the Accounting Officer (currently the Headteacher of St. Thomas More's School).

The LGB in each School, which meets on at least 4 occasions per year, is responsible for the strategic direction of the their School. The Board of Trustees reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, set the organisational staffing structure, agree the performance objectives of the Headteacher with a school advisor, and review them.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

All Trustees are members of the LGB of their own School. In addition Trustees are members of one of two sub-committees, the terms of reference for which are reviewed annually, who report to the Board of Trustees.

- **Finance, Personnel and Premises Committee** – this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management; compliance with reporting and regulatory requirements and reporting; appointing and receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. This Subcommittee also reviews issues relating to HR, health and safety, premises, and related issues.
- **Curriculum Subcommittee** – this meets once a term to monitor, evaluate and review MAT policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral. This Subcommittee also review issues relating to Human Resources.

The Headteacher manages the MAT on a daily basis supported by the SLT in each school. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the MAT.

The SLT of each School report through their LGB and are responsible at an executive level for implementing policies; responsible for the day to day operation of the School, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

The Accounting Officer of the MAT has overall responsibility for the day to day financial management of the Charitable Company and has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own Schools and departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

**Connected Organisations and Related Parties**

Owing to the nature of the MAT's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the MAT's financial regulations and normal procurement procedures. Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year the MAT collaborated with the following parties to develop its principal activities:

- Anglian Ruskin University
- Area Deanery Head
- Brentwood Diocese Bursar's Association (BDBA)
- Diocese Deanery Headteachers
- Essex ITT Harlow
- Tendring Education Trust (Coast Ed.)
- SET Teaching School Alliance
- Local Teaching School Alliance
- Colchester Institute
- Sixth Form College

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of schools to provide free education and care for pupils of different abilities.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**Strategies and Activities**

During the year the individual Schools have worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Schools by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the MAT's business in accordance with the highest standards of integrity;
- sharing expertise across the Schools for the benefit of all children; and
- coaching and mentoring staff in both Schools.

The MAT aims to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

We have worked hard to ensure that accurate assessments are carried out on each child and these assessments help the children to progress by giving them clear next steps targets.

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the MAT as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**STRATEGIC REPORT**

**Achievements and performance**

2015 was a successful year in both schools:

St. Thomas More's

Key Stage 2	Level 4+
Grammar	97%
Maths	97%
Reading	97%

Key Stage 1	Level 2+
Reading	100%
Writing	100%
Maths	100%
Phonics Y1	91%

We were very pleased with St. Thomas More's results remaining consistently high.

St Clare's

Key Stage 2	Level 4+
Grammar	88%
Maths	95%
Reading	93%

Key Stage 1	Level 2+
Writing	86%
Maths	86%
Reading	84%
Phonics Y1	89%

We were extremely pleased with the sharp rise in attainment and achievement; this was down to a lot of hard work by all stake holders and was recognised in the Ofsted report.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**Key Performance Indicators**

The Trustees receive monthly information to enable them to monitor the performance of the constituent Schools compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2015 were 506 (2014: 503). Numbers in both Schools remain high with St. Thomas More's regularly oversubscribed with very low turbulence and St. Clare's increasing in roll with very few pupils moving out.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2014/15 Including Pupil Premium this was 84% of budget for St Thomas More' and 82% of budget for St Clare's.

**Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the MAT 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.

**FINANCIAL REVIEW**

The principal source of funding for the MAT is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the year ended 31 August 2015 the MAT received £2,486,429 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the MAT's primary objective of the provision of education. During the year the MAT spent virtually all of its restricted funds with the exception of £89,694 and is also carrying a surplus of £608,958 forward on its unrestricted funds.

**Reserves policy**

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The MAT's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £608,958. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The MAT has sufficient funds to enable it to move each School forward. There are enough funds available to ensure that the Schools within the Trust could continue with their business should the unexpected happen. For example, a boiler breakdown; an extra teacher required.

The cash balance of the MAT has been very healthy all year, ending the year with a balance of £800,637. The Trustees have determined that they should hold a cash contingency equivalent to a month's expenditure, approximately £75,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, St Thomas More's is recognising a significant pension fund deficit of £429,000 and St Clare's Fund deficit £798,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Investment policy**

An Investment Policy was approved by the Board of Trustees in October 2015.

The aim of the policy is to ensure funds that the MAT does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees maintain a risk register identifying the major risks to which the MAT is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the MAT are outlined below; those facing the MAT at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the MAT's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the MAT as follows:

- The MAT has considerable reliance on continued Government funding through the EFA and 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 MAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the MAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees 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 MAT is reliant on the quality of its staff and so the Trustees 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 MAT has appointed SBM Services Limited as an Internal Auditor to carry out 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 MAT has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**PLANS FOR FUTURE PERIODS**

Both Schools try to ensure that they provide a high quality service in their local community to make sure that they remain a popular choice for parents. Emphasis is put on training so that staff are enabled to carry out their job to the best of their ability. The senior leaders in each school will continue to monitor the policies in each School to ensure that all staff remain on board with them.



**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

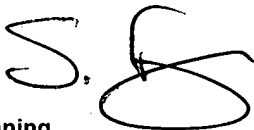
**PROVISION OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

This report, incorporating the Strategic Report, was approved by the Board of Trustees on 7.12.15 and signed on its behalf by:



**Mr S Fenning**  
Chair of Trustees

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Primary Excellence - A Catholic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
Mr S Fenning	3	3
Mrs C Bonich	3	3
Dr C Hall	3	3
Mr G Herbert	3	3
Mr D Sabini	2	3
Mrs E Hayes	3	3
Mrs M Breeze	3	3
Mr P Campbell	3	3
Mrs L Saker	2	3
Mr D Kelway	2	3
Mrs E Lumber	2	3
Mrs V Reynolds	3	3
Mrs C Parker	1	3
Mrs B Harris	3	3
Mr B Turnbull	2	3
Reverend A McKenty	2	3

The Board of Trustees has remained the same over the last twelve months. Changes are not envisaged until a new Headteacher has been appointed for St Clare's. The Trustees conducted a self-evaluation in the summer term 2015. The Committee in both schools has spent each meeting setting and monitoring the budget, both Schools discuss staffing as a regular agenda item. The Committee meetings at St Clare's have also included discussion and planning of several building projects.

The Finance, Personnel and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to address the financial matters arising.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Fenning	3	4
Mrs B Harris	4	4
Mrs E Hayes	4	4
Mr G Herbert	4	4

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the MAT 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 MAT's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the MAT has delivered improved value for money during the year by:

- having had a well planned strategy to invest its resources in the best way possible to ensure that educational standards continue to improve and to ensure each individual pupil has the opportunity to reach their full potential;
- making the Finance Personnel and Premises Committee of each school responsible for ensuring the Schools have a strong internal audit function. A Trustee is designated as Responsible Officer and the Schools commission an external supplier to carry out reviews of the internal controls, financial policies and to ensure compliance with legislation and regulations on a termly basis. The LGBs review these reports and action plans are prepared and monitored to ensure that the internal control framework remains robust. The Schools are changing from a Responsible Officer to an Audit Committee for the coming year;
- regularly benchmarking the Schools' financial performance with other academies to challenge whether they are providing a value for money education;
- regularly seeking to secure additional funding through grant applications. Successful applications in the given year include: Teaching schools grant;
- ensuring the SLT receive financial reports and updates and all budget holders receive a monthly report enabling them to monitor and control expenditure for the areas for which they are responsible. Any under or overspends compared to budget are investigated and action taken as necessary; and
- being committed to delivering good value in the use of public resources and will continue to review its operations. Key areas for development in 2015 - 16 are: Share costs between both Schools wherever possible e.g. accountancy; develop shared CPD activities; use in-house CPD opportunities; share resources that are rarely used with other schools and evaluate other providers to see if cost effective.

**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 MAT 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 Primary Excellence - A Catholic Education Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the MAT's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Personnel and Premises 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services Limited as Internal Auditor.

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

- Financial, administration and management
- Purchasing and creditors
- Fixed Assets
- Income

On an annual basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

SBM Services Limited delivered their schedule of works as planned and no material control issues were identified.

**REVIEW OF EFFECTIVENESS**

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the MAT who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 7.12.15 and signed on its behalf, by:

  
**Mr S Fenning**  
Chairman

  
**Mrs B Harris**  
Accounting officer

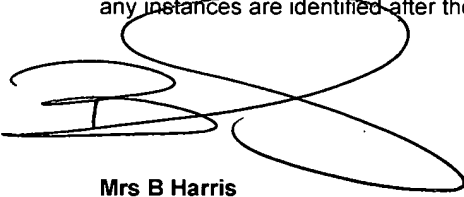
**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Primary Excellence - A Catholic Education Trust I have considered my responsibility to notify the Board of Trustees 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 MAT 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 (2014).

I confirm that I and the Board of Trustees are able to identify any material, irregular or improper use of funds by the MAT, or material non-compliance with the terms and conditions of funding under the MAT's funding agreement and the Academies Financial Handbook (2014).

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



**Mrs B Harris**  
Accounting Officer

Date: 07/12/15

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as Governors of Primary Excellence - A Catholic Education Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction 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 then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 the Board of Trustees on 7.12.15 and signed on its behalf by:



**Mr S Fenning**  
Chairman

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**

We have audited the financial statements of Primary Excellence - A Catholic Education Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the MAT'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 MAT's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the MAT and its Members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the MAT 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 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 MAT'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 Trustees' 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 FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the MAT's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**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.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIMARY EXCELLENCE - A CATHOLIC  
EDUCATION TRUST**

**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.*

Gary Miller (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
10 December 2015



**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS  
MORE'S CATHOLIC PRIMARY SCHOOL COLCHESTER AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Primary Excellence - A Catholic Education Trust during the year 1 September 2014 to 31 August 2015 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 Primary Excellence - A Catholic Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Primary Excellence - A Catholic Education Trust and 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 Primary Excellence - A Catholic Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Primary Excellence - A Catholic Education Trust's funding agreement with the Secretary of State for Education dated 1 June 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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 MAT's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the MAT, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS  
MORE'S CATHOLIC PRIMARY SCHOOL COLCHESTER 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 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gary Miller (Reporting Accountant)

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

7 December 2015

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Net assets transferred on conversion	2	-	-	-	-	(306,827)
Other voluntary income	2	-	212,734	-	212,734	198,120
Activities for generating funds	3	99,289	-	-	99,289	121,466
Investment income		1,349	-	-	1,349	1,213
Incoming resources from charitable activities	4	-	2,466,396	20,033	2,486,429	2,344,789
<b>TOTAL INCOMING RESOURCES</b>		<b>100,638</b>	<b>2,679,130</b>	<b>20,033</b>	<b>2,799,801</b>	<b>2,358,761</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	6	76,000	2,671,039	47,096	2,794,135	2,584,398
Governance costs	7	-	16,070	-	16,070	11,723
<b>TOTAL RESOURCES EXPENDED</b>	<b>5</b>	<b>76,000</b>	<b>2,687,109</b>	<b>47,096</b>	<b>2,810,205</b>	<b>2,596,121</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		24,638	(7,979)	(27,063)	(10,404)	(237,360)
Transfers between funds	17	-	(49,854)	49,854	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>24,638</b>	<b>(57,833)</b>	<b>22,791</b>	<b>(10,404)</b>	<b>(237,360)</b>
Actuarial gains and losses on defined benefit pension schemes		-	53,000	-	53,000	(178,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>24,638</b>	<b>(4,833)</b>	<b>22,791</b>	<b>42,596</b>	<b>(415,360)</b>
Total funds at 1 September 2014		584,320	(1,132,473)	179,836	(368,317)	548,043
Prior year adjustment (Note 16)		-	501,000	-	501,000	-
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>608,958</b>	<b>(636,306)</b>	<b>202,627</b>	<b>175,279</b>	<b>132,683</b>

All activities relate to continuing operations.

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

The notes on pages 20 to 36 form part of these financial statements.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**

(A Company Limited by Guarantee)

REGISTERED NUMBER: 08068528

**BALANCE SHEET  
AS AT 31 AUGUST 2015**

	Note	£	2015 £	As restated 2014 £
<b>FIXED ASSETS</b>				
Tangible assets	12		182,594	179,836
<b>CURRENT ASSETS</b>				
Stocks	13	898		523
Debtors	14	563,006		596,858
Cash at bank and in hand		800,637		730,483
		<u>1,364,541</u>		<u>1,327,864</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(144,856)</u>		<u>(171,017)</u>
<b>NET CURRENT ASSETS</b>			<u>1,219,685</u>	<u>1,156,847</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,402,279</u>	<u>1,336,683</u>
Defined benefit pension scheme liability	22		<u>(1,227,000)</u>	<u>(1,204,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>175,279</u></u>	<u><u>132,683</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds :				
Restricted funds	17	89,694		71,527
Restricted funds - donations in kind	17	501,000		501,000
Restricted fixed asset funds	17	202,627		179,836
		<u>793,321</u>		<u>752,363</u>
Restricted funds excluding pension liability				
Pension reserve		<u>(1,227,000)</u>		<u>(1,204,000)</u>
Total restricted funds			<u>(433,679)</u>	<u>(451,637)</u>
Unrestricted funds	17		<u>608,958</u>	<u>584,320</u>
<b>TOTAL FUNDS</b>			<u><u>175,279</u></u>	<u><u>132,683</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7.12.15 and are signed on their behalf, by:



**Mr S Fenning**  
Chair of Trustees

The notes on pages 20 to 36 form part of these financial statements.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	19	118,659	177,379
Returns on investments and servicing of finance - interest received		1,349	1,213
Capital expenditure		(49,854)	(108,718)
Cash transferred on conversion to an academy trust		-	254,696
<b>INCREASE IN CASH IN THE YEAR</b>		<b>70,154</b>	<b>324,570</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	70,154	324,570
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>70,154</b>	<b>324,570</b>
Net funds at 1 September 2014	730,483	405,913
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>800,637</b>	<b>730,483</b>

The notes on pages 20 to 36 form part of these financial statements.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 (SORP), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The MAT is a company limited by guarantee. The Members of the Charitable Company are the Trustees named on page 1. In the event of the MAT being wound up, the liability in respect of the guarantee is limited to £10 per Member of the MAT.

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the MAT has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the MAT being notified of an impending distribution or the legacy being received.

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.

Any donated services and gifts in kind provided to the MAT are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the MAT 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 the MAT's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

**1.4 Taxation**

The MAT 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 MAT 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.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Fund accounting**

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

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

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

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

**1.6 Resources expended**

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.

Charitable activities are costs incurred in the MAT's educational operations.

Governance costs include the costs attributable to the MAT's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.7 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 MAT 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.

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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 are 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 MAT's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 10-15 years straight line
Computer equipment	- 5-10 years straight line

**1.9 Operating leases**

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

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.11 Pensions**

Retirement benefits to employees of the MAT are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the MAT.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the MAT 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 note 22, the TPS is a multi-employer scheme and the MAT 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 MAT 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 the 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 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.

**2. VOLUNTARY INCOME**

	Restricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Net assets transferred on conversion	-	-	(306,827)
Donations	45,734	45,734	31,120
Donation in kind (see note 24)	167,000	167,000	167,000
Subtotal	212,734	212,734	198,120
Voluntary income	212,734	212,734	(108,707)



**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering	49,329	49,329	71,775
Other activities	49,960	49,960	49,691
	<u>99,289</u>	<u>99,289</u>	<u>121,466</u>

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	2,011,077	2,011,077	2,013,659
Other DfE / EFA grants	363,837	363,837	275,509
	<u>2,374,914</u>	<u>2,374,914</u>	<u>2,289,168</u>
<b>Other government grants</b>			
Local authority grants	111,515	111,515	55,621
	<u>111,515</u>	<u>111,515</u>	<u>55,621</u>
	<u>2,486,429</u>	<u>2,486,429</u>	<u>2,344,789</u>

**5. RESOURCES EXPENDED**

	Staff costs 2015 £	Non pay expenditure Premises 2015 £	Other costs 2015 £	Total 2015 £	As restated Total 2014 £
Provision of education - direct costs	1,555,635	-	202,073	1,757,708	1,634,593
Provision of education - support costs	369,141	457,263	210,023	1,036,427	949,805
<b>Charitable activities</b>	<u>1,924,776</u>	<u>457,263</u>	<u>412,096</u>	<u>2,794,135</u>	<u>2,584,398</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>16,070</u>	<u>16,070</u>	<u>11,723</u>
	<u>1,924,776</u>	<u>457,263</u>	<u>428,166</u>	<u>2,810,205</u>	<u>2,596,121</u>

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**6. CHARITABLE ACTIVITIES**

	Total funds 2015 £	As restated Total funds 2014 £
<b>DIRECT COSTS</b>		
Wages and salaries	1,291,862	1,234,898
National insurance	69,298	65,932
Pension cost	194,475	157,791
Educational supplies	168,466	132,272
Course fees	-	11,906
Educational consultancy	32,721	18,624
Other costs	886	13,170
	<u>1,757,708</u>	<u>1,634,593</u>
<b>SUPPORT COSTS</b>		
Wages and salaries	286,474	266,730
National insurance	11,142	11,707
Pension cost	71,525	68,282
Depreciation	47,096	30,127
LGPS adjustment	35,000	38,000
Staff development	63,026	11,866
Maintenance of premises and equipment	65,719	72,279
Occupancy costs	89,163	64,346
Catering	64,385	50,751
Insurance	34,197	31,585
Professional fees	3,517	21,730
Printing, postage and stationery	17,749	14,047
Technology costs	3,779	1,970
Other costs	76,655	99,385
Notional rent (see note 24)	167,000	167,000
	<u>1,036,427</u>	<u>949,805</u>
	<u>2,794,135</u>	<u>2,584,398</u>

**7. GOVERNANCE COSTS**

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration - audit costs	7,250	7,250	7,000
Auditors' remuneration - non audit costs	4,850	4,850	3,523
Internal audit costs	3,962	3,962	1,200
Governor expenses	8	8	-
	<u>16,070</u>	<u>16,070</u>	<u>11,723</u>

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,525,770	1,470,235
Social security costs	80,440	77,639
Other pension costs	266,000	226,073
	<u>1,872,210</u>	<u>1,773,947</u>
Supply teacher costs	52,566	31,393
	<u><u>1,924,776</u></u>	<u><u>1,805,340</u></u>

**b. Staff numbers**

The average number of persons employed by the MAT during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	21	21
Administration and support	33	29
Management	2	6
	<u>56</u>	<u>56</u>

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	1	0
In the band £ 70,001 - £ 80,000	1	1

The above employees participated in the Teachers' Pension Scheme.

**PRIMARY EXCELLENCE - A CATHOLIC EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**9. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the MAT. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

**B Harris (Headteacher)**

Remuneration £75,000-80,000 (2014: £75,000-80,000)

Employer's Pension contribution £10,000-15,000 (2014: £10,000-15,000)

**M Breeze (Head of School)**

Remuneration £60,000-65,000 (2014: £45,000-50,000)

Employer's Pension contribution £5,000-10,000 (2014: £5,000-10,000)

**L Saker (Teacher)**

Remuneration £30,000-35,000 (2014: £30,000-35,000)

Employer's Pension contribution £0-5,000 (2014: £0-5,000)

**C Parker (Support)**

Remuneration £10,000-15,000 (2014: £10,000-15,000)

Employer's Pension contribution £0-5,000 (2014: £0-5,000)

**E Hayes (Teacher)**

Remuneration £45,000-50,000 (2014: £45,000-50,000)

Employer's Pension contribution £5,000-10,000 (2014: £5,000-10,000)

**J Brown (Support)**

Remuneration £10,000-15,000 (2014: £NIL)

Employer's Pension contribution £0-5,000 (2014: £NIL)

During the period ended 31 August 2015, expenses totalling £4,087 (2014: £2,872) were reimbursed or paid directly to 5 trustees (2014: 5 trustees). These related to reimbursements for activities undertaken in respect of their services to the Trust as staff members.

Other related party transactions involving the Trustees are set out in note 24.

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the MAT has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on MAT business. The insurance provides cover up to £2,000,000 and 5,000,000 for St Thomas More's and St Clare's respectively, on any one claim and the cost for the year ended 31 August 2015 was included in the total insurance cost.

**11. CENTRAL SERVICES**

No central services were provided by the MAT to its Schools during the year and no central charges arose.

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**12. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 September 2014	104,172	121,812	225,984
Additions	42,643	7,211	49,854
At 31 August 2015	<u>146,815</u>	<u>129,023</u>	<u>275,838</u>
<b>Depreciation</b>			
At 1 September 2014	25,777	20,371	46,148
Charge for the year	31,130	15,966	47,096
At 31 August 2015	<u>56,907</u>	<u>36,337</u>	<u>93,244</u>
<b>Net book value</b>			
At 31 August 2015	<u>89,908</u>	<u>92,686</u>	<u>182,594</u>
At 31 August 2014	<u>78,395</u>	<u>101,441</u>	<u>179,836</u>

The MAT occupies land and buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the MAT occupies the land and buildings by a license that transfers to the MAT no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the MAT will not be recognised or valued within fixed assets.

**13. STOCKS**

	2015 £	2014 £
Finished goods and goods for resale	<u>898</u>	<u>523</u>

**14. DEBTORS**

	2015 £	As restated 2014 £
<b>Due after more than one year</b>		
Other debtors (see note 24)	334,000	334,000
<b>Due within one year</b>		
VAT recoverable	5,236	20,084
Other debtors	169,200	170,488
Prepayments and accrued income	54,570	72,286
	<u>563,006</u>	<u>596,858</u>

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**15. CREDITORS:**

**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	9,747	22,922
Other taxation and social security	46,002	50,619
Other creditors	-	3,717
Accruals and deferred income	89,107	93,759
	<u>144,856</u>	<u>171,017</u>

**Deferred income**

Deferred income at 1 September 2014	50,958
Resources deferred during the year	52,911
Amounts released from previous years	<u>(50,958)</u>
Deferred income at 31 August 2015	<u>52,911</u>

Resources deferred at the period end relate to contributions towards future educational visits and free school meal income received in advance.

**16. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been made to recognise a donation in kind receivable which represents the commitment by the Diocese of Brentwood to provide land and buildings on a rent free basis for 36 months which had not been previously recognised.

The effect has been to recognise an asset valued at £501,000; amounts included from the date of conversion of each School to Academy status.

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**17. STATEMENT OF FUNDS**

	Brought forward as restated £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
<b>Unrestricted funds</b>						
General funds	584,320	100,638	(76,000)	-	-	608,958
<b>Restricted funds</b>						
General Annual Grant (GAG)	71,527	2,011,077	(1,943,056)	(49,854)	-	89,694
Other government grants	-	209,989	(209,989)	-	-	-
Pupil premium	-	153,069	(153,069)	-	-	-
Restricted trip donations	-	45,734	(45,734)	-	-	-
Other DfE/EFA grants	-	92,261	(92,261)	-	-	-
Donation in kind	501,000	167,000	(167,000)	-	-	501,000
Pension reserve	(1,204,000)	-	(76,000)	-	53,000	(1,227,000)
	(631,473)	2,679,130	(2,687,109)	(49,854)	53,000	(636,306)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	179,836	-	(47,096)	49,854	-	182,594
DFC	-	20,033	-	-	-	20,033
	179,836	20,033	(47,096)	49,854	-	202,627
<b>Total restricted funds</b>	<b>(451,637)</b>	<b>2,699,163</b>	<b>(2,734,205)</b>	<b>-</b>	<b>53,000</b>	<b>(433,679)</b>
<b>Total of funds</b>	<b>132,683</b>	<b>2,799,801</b>	<b>(2,810,205)</b>	<b>-</b>	<b>53,000</b>	<b>175,279</b>

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

**General funds**

This represents income received that does not have restrictions on its use.

**Other government grants**

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the MAT.

**Pupil premium**

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

**Restricted trip donations**

This represents income received to be used for educational trips.

**Other DfE/EFA grants**

Transfers represent net fixed asset movements from restricted and unrestricted funds

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**17. STATEMENT OF FUNDS (continued)**

**Pension Reserve**

This reserve represents the MAT's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the MAT on conversion from a state controlled school.

**Restricted fixed asset fund**

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

**DFC**

This represents funding received from EFA specifically for the maintenance and improvement of the MAT's buildings and facilities.

**General Annual Grant (GAG)**

This represents funding from the EFA to cover the costs of recurrent expenditure.

**Donation in kind**

This fund represents the rent free occupation of the land and buildings from the Diocese of Brentwood

Under the funding agreement with the Secretary of State, the MAT was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	Total £
St Thomas More's Catholic Academy	720,674
St Clare's Catholic Academy	478,978
	<hr/>
Total before fixed asset fund and pension reserve	1,199,652
Restricted fixed asset fund	202,627
Pension reserve	(1,227,000)
	<hr/>
Total	175,279
	<hr/> <hr/>

**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 Thomas More's Catholic Academy	615,608	241,393	111,841	145,431	1,114,273
St Clare's Catholic Academy	917,835	296,966	89,347	177,688	1,481,836
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,533,443	538,359	201,188	323,119	2,596,109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



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**SUMMARY OF FUNDS**

	Brought forward as restated £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
General funds	584,320	100,638	(76,000)	-	-	608,958
Restricted funds	(631,473)	2,679,130	(2,687,109)	(49,854)	53,000	(636,306)
Restricted fixed asset funds	179,836	20,033	(47,096)	49,854	-	202,627
	<u>132,683</u>	<u>2,799,801</u>	<u>(2,810,205)</u>	<u>-</u>	<u>53,000</u>	<u>175,279</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	182,594	182,594	179,836
Debtors due after more than 1 year	-	334,000	-	334,000	-
Current assets	608,958	401,550	20,033	1,030,541	826,864
Creditors due within one year	-	(144,856)	-	(144,856)	(171,017)
Provisions for liabilities and charges	-	(1,227,000)	-	(1,227,000)	(1,204,000)
	<u>608,958</u>	<u>(636,306)</u>	<u>202,627</u>	<u>175,279</u>	<u>132,683</u>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	(10,404)	(237,360)
Returns on investments and servicing of finance	(1,349)	(1,213)
Assets transferred on conversion	-	(12,477)
Cash transferred on conversion	-	(254,696)
Depreciation of tangible fixed assets	47,096	30,127
Decrease in stock	(375)	-
Decrease/(increase) in debtors	33,852	(75,666)
Increase/(decrease) in creditors	(26,161)	111,664
FRS 17 adjustments	76,000	617,000
<b>Net cash inflow from operations</b>	<u>118,659</u>	<u>177,379</u>

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**20. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	730,483	70,154	-	800,637
<b>Net funds</b>	<b>730,483</b>	<b>70,154</b>	<b>-</b>	<b>800,637</b>

**21. 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.

**22. PENSION COMMITMENTS**

The MAT'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 Essex County Council. 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.

Contributions amounting to £21,807 were payable to the schemes at 31 August 2015 (2014 - 25,232) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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**22. PENSION COMMITMENTS (continued)**

- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £120,229 (2014: £120,552).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The MAT has accounted for its contributions to the scheme as if it were a defined contribution scheme. The MAT 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 2015 was £131,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £29,000. The agreed contribution rates for future years are 12.3% for employers and between 5.5% and 6.5% 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.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,229,000)	(2,106,000)
Fair value of scheme assets	1,002,000	902,000
	<u>                    </u>	<u>                    </u>
Net liability	(1,227,000)	(1,204,000)
	<u>                    </u>	<u>                    </u>

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

	2015 £	2014 £
Current service cost	(143,000)	(89,000)
Interest on obligation	(85,000)	(82,000)
Expected return on scheme assets	50,000	44,000
	<u>                    </u>	<u>                    </u>
Total	(178,000)	(127,000)
	<u>                    </u>	<u>                    </u>
Actual return on scheme assets	44,000	91,000
	<u>                    </u>	<u>                    </u>

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**22. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Opening defined benefit obligation	2,106,000	638,000
Current service cost	143,000	89,000
Interest cost	85,000	82,000
Contributions by scheme participants	29,000	24,000
Actuarial (Gains)/losses	(59,000)	239,000
Benefits paid	(75,000)	-
Present value of defined benefit obligation on conversion	-	1,034,000
	<u>2,229,000</u>	<u>2,106,000</u>
Closing defined benefit obligation	2,229,000	2,106,000

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

	2015 £	2014 £
Opening fair value of scheme assets	902,000	229,000
Expected return on assets	50,000	44,000
Actuarial (losses) and gains	(6,000)	61,000
Contributions by employer	102,000	84,000
Contributions by employees	29,000	24,000
Benefits paid	(75,000)	-
Fair value of scheme assets on conversion	-	460,000
	<u>1,002,000</u>	<u>902,000</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 a £220,000 loss (2014: £273,000 loss).

The MAT expects to contribute £103,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative assets	7.00 %	4.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	5.30 %	5.30 %
Rate of increase in salaries	4.40 %	4.50 %
Rate of increase for pensions in payment / inflation	2.60 %	2.70 %
Inflation assumption (CPI)	2.60 %	2.70 %
Inflation assumption (RPI)	3.50 %	3.50 %

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**22. PENSION COMMITMENTS (continued)**

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(2,229,000)	(2,106,000)	(638,000)
Scheme assets	1,002,000	902,000	229,000
Deficit	<u>(1,227,000)</u>	<u>(1,204,000)</u>	<u>(409,000)</u>
Experience adjustments on scheme assets	<u>(6,000)</u>	<u>61,000</u>	<u>22,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the MAT had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	-	-	389	-
Between 2 and 5 years	2,500	-	2,752	1,748
After more than 5 years	-	2,500	-	-
	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>

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**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the MAT's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

The MAT operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the MAT and the Secretary of State the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £167,000 per annum, on this basis a donation from the Diocese of £167,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £501,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

The spouses of Trustees Mr S Fenning and Mr G Herbert are employed by the MAT on contracts approved by Trustees whose remuneration is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

There were no other related party transactions during the year ended 31 August 2015.