

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY  
NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**



**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

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**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

Canon M E Baylson (resigned 15 July 2018)  
F J Campbell (resigned 31 August 2018)  
Monsignor G Dasey  
RT Rev T P Draine, Bishop of Middlesbrough  
K Duffy (appointed 16 July 2018)  
N Mack (appointed 16 January 2018)  
G Robinson (appointed 16 July 2018)

**Directors**

F J Campbell, Chair (resigned 31 August 2018)  
J Hughes, Chair from 1 September 2018 (appointed 15 January 2018)  
E J Nicholls, Vice Chair (resigned 31 August 2018)  
J W Brown (appointed 15 January 2018)  
M Campbell (resigned 31 August 2018)<sup>1</sup>  
A Coulson (resigned 31 December 2017)  
B Coulston (resigned 31 August 2018)<sup>1</sup>  
K Duffy (appointed 15 January 2018)  
S Dunn (resigned 1 September 2017)  
C M Garvey (resigned 31 August 2018)  
S K Geaves, Head teacher & Accounting Officer until 31 August 2018 (resigned 31 August 2018)<sup>1</sup>  
H Hegarty, Accounting officer from 1 September 2018 (appointed 4 June 2018)  
N Mack (appointed 15 January 2018)  
M McCullagh (appointed 15 January 2018)  
K Sill (resigned 8 March 2018)  
S Smith (resigned 31 August 2018)<sup>1</sup>  
P M Strudwick (resigned 8 March 2018)  
A G Toward (resigned 8 March 2018)  
Father D L Turnham<sup>1</sup>  
J Walton (appointed 15 January 2018)  
J Wilson (appointed 15 January 2018)  
N A Woodhouse (resigned 31 August 2018)

<sup>1</sup> Member of Resource and Audit Committee

**Company registered number**

09203984

**Company name**

Nicholas Postgate Catholic Academy Trust

**Principal and registered office**

Trinity Catholic College  
Saltersgill Avenue  
Middlesbrough  
England  
TS4 3JW

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Company secretary**

Prima Secretary Limited

**Accounting Officer**

H Hegarty

**Senior management team**

S Conway, Deputy Head Teacher

A Coulson, Head Teacher

S K Geaves, Head Teacher

K Sill, Head Teacher

P M Strudwick, Head Teacher

A Toward, Head Teacher

**Independent auditors**

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

**Bankers**

Lloyds Bank plc

83 - 85 Linthorpe Road

Middlesbrough

TS1 5BU

**Solicitors**

Womble Bond Dickinson LLP

St Anns Wharf

112 Quayside

Newcastle upon Tyne

NE1 3DX

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2018**

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Academy Trust operates 4 primary and 1 secondary academies in the Redcar and Cleveland area. Its academies have a combined pupil capacity 1,800 excluding nursery and had a roll of 1,864 including nursery on the school census on October 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Nicholas Postgate Academy trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Nicholas Postgate Catholic Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the 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.

**Directors' indemnities**

The Academy Trust has split arrangement and has purchased RPA insurance and Zurich insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on Academy Trust business. Further details are provided in note 11.

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

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Head Teacher or any post held ex officio. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

**Policies and procedures adopted for the induction and training of Directors**

The training and induction provided for new Directors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Directors are given a tour of the Academy Trust and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only one or two Directors a year, induction tends to be done informally and is tailored specifically to the individual.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Organisational structure**

During the year the Academy Trust continued to operate a unified management structure. The structure consists of 4 levels: The members, the Board of Directors, the Local Management Board and the Head Teachers group. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members are responsible for overseeing the operation of the Academy Trust and can amend the articles.

The Board of Directors make strategic decision about the Academy Trust but have delegated certain aspects to the Local Management Board which they then oversee. The Board of Directors ensure compliance of company law and funding requirements, determine policy and ensure the overall organisation is running effectively and efficiently.

The Local Management Board have roles set out in the scheme of delegation and have a key monitoring role for school budgets, standards and the school improvement plan. They consider admissions, exclusions and are involved in recruitment.

The Head Teachers group work together to discuss school to school support and school delivery improvements

**Arrangements for setting pay and remuneration of key management personnel**

The Academy Trust annually reviews the pay policy having due regard for what is happening at a national level. The draft pay policy is then presented to Board of Directors for approval and this sets out annual rates and conditions of application. Throughout the year, staff in schools and key staff leaders undergo appraisals in which expected standards are set and monitored. Up to Deputy Head level is managed within school but the head pay awards are approved and evaluated by the pay sub committee who also ensure consistency exists across academies.

**Trade union facility time**

The Academy Trust did not employ any union officials during the period.

**Related Parties and other Connected Charities and Organisations**

Further details are stated in note 26 to the financial statements.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object and activity of the charitable company is the operation of Nicholas Postgate Catholic Academy Trust to provide education for students of different abilities between the ages of 2 and 18.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum with emphasis on science, outdoor education and vocational subjects and their practical applications.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**OBJECTIVES AND ACTIVITIES (continued)**

**Objects and aims (continued)**

The main objectives of the Academy Trust during the year ended 31 August 2018 are as summarised below:

- Develop and strengthen transition.
- Each school has its own individual plan which is specific to the school and sets out plans to achieve improvements and develop students. Two primary schools were also focused on making improvements linked to Ofsted ratings.
- Attendance is key and schools strive for continuous improvements.
- Exam improvement and attendance were key priorities for Sacred Heart.
- St Joseph's aims were a drive to increase pupil numbers.

**Objectives, strategies and activities**

The Academy Trust's main objectives are encompassed in its mission statement which is 'The Nicholas Postgate Catholic Academy Trust will work to share talents, skills and resources and create opportunities for the benefit of all, following the teachings of Christ. We will provide governance to our academies in a spirit of openness, challenge, support and partnership. We recognise and encourage our families' role as first educators of our young people. As a responsible employer we will recruit and develop our staff to the highest professional standards to enable them to deliver an outstanding education.' To this end the objectives and the strategies used to achieve them include:

- Attendance data was tracked regularly.
- The schools all linked in to their teaching schools and CPD to improve teaching delivery and understanding.
- Heads met bi-monthly to share data and implement new strategies.
- The secondary school worked more closely with their primary feeder schools on transition and also on shared subject areas.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between 2 and 16.

**Public benefit**

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the Academy Trust should undertake.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Key performance indicators**

Results

The exam results for primaries for 2017/18 showed that all primary schools within the Academy Trust revealed above average scores for reading, writing and maths. Individual school results are detailed below.

| <b>KS2 SATS</b>  | <b>Reading</b> | <b>Writing</b> | <b>Maths</b> |
|------------------|----------------|----------------|--------------|
| St Bedes         | 75.9%          | 75.9%          | 58.6%        |
| St Benedicts     | 79.6%          | 87.0%          | 74.1%        |
| St Paulinus      | 79.1%          | 89.7%          | 96.6%        |
| St Josephs       | 100.0%         | 91.0%          | 100.0%       |
| National average | 75.0%          | 78.0%          | 73.0%        |

The results for the secondary school were as follows:

Sacred heart

|                  | <b>School</b> | <b>National average</b> |
|------------------|---------------|-------------------------|
| Y11 KS2 points   | 30            | 28.4                    |
| % PA: L/M/H      | 5.4/38.8/55.8 | 13.4/48.1/38.4          |
| Progress 8       | -0.38         | -0.03                   |
| Attainment 8     | 48            | 46                      |
| English APS      | 10            | 10                      |
| English progress | -0.4          |                         |

Attendance

The average attendance across the schools was as follows:

|              |       |
|--------------|-------|
| St Bedes     | 96.0% |
| St Benedicts | 96.1% |
| St Paulinus  | 96.3% |
| St Josephs   | 96.7% |
| Sacred Heart | 94.9% |

Average attendance is consistent with previous years. The Academy Trust has employed a Trust wide attendance team to improve attendance across schools.

**Going concern**

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



**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW**

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities SORP (FRS 102), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The academy trust receives additional funds from activities such as provision of after school and breakfast clubs, from minibus provision, minor amounts from lettings and also fees for supporting Teacher Training students.

During the year ended 31 August 2018, total expenditure of £10,287,000 was exceeded by recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £116,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy Trust's objectives.

At 31 August 2018 the net book value of fixed assets was £2,569,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,356,000 recognised on the balance sheet.

The Academy Trust held fund balances as at 31 August 2018 of £2,343,000 comprising £245,000 of restricted general funds, £2,547,000 of restricted fixed asset funds, a pension deficit of £1,356,000 and £907,000 of unrestricted funds.

**Reserves policy**

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To cover ongoing costs in relation to the running of the Academy Trust including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by the Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of the Academy Trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £650,000.

This is considered sufficient to cover one month's salary costs and other key costs.

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW (continued)**

**Reserves policy (continued)**

The Academy Trust's current level of free reserves are in surplus by £907,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the Academy Trust. The Directors continue to consider additional activities related to the Academy Trust's objectives to which the excess reserves may be applied including:

- a) Control funding pressures moving forward.
- b) Potential capital projects.

A designated fund has been established for PFI provisions. At 31 August 2018 this stood at £19,000 and is included within the free reserves figure above.

**Investment Policy**

The Academy Trust invests surplus funds through high level bank savings funds. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

**Principal risks and uncertainties**

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of significant deficit on the Academy Trust balance sheet. There are also planned increases to Teachers pensions which are more than anticipated.

The Directors have assessed the major risks, to which the Academy Trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the Academy Trust, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy Trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The Academy Trust is subject to a number of risks and uncertainties in common with other academies. The Academy Trust has in place procedures to identify and mitigate financial risks. The Academy Trust has 2 PFI schools and also has to ensure that the contracts operate on an ongoing and secure basis.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**PLANS FOR FUTURE PERIODS**

Following a full review within the Diocese North Area it has been agreed that going forward 25 schools which comprise of 4 existing MAT's – St Oswalds, St Hilda's, Our lady of the light and Nicholas Postgate Trust plus one school which wasn't an academy St Pius would merge to form a 25 school MAT. The new MAT has been named the Nicholas Postgate Catholic Academy Trust and will employ over 1,000 teachers and support staff and will provide education to 9,100 children. This merger took place on the 1 September 2018.

The new Academy Trust will be able to pool resources, will provide immediate direct support to schools and will share expertise more effectively. The Academy Trust will be led by the Chief Executive Officer who will lead with a dedicated team to improve standards and ensure consistency across schools. The new Trust will improve the quality of Catholic Education and will work closely with the Diocese, parents, staff and community to establish strong community links. Every school in the Trust is on a journey of continual improvement, aspiring for excellence year-on-year.

**Disclosure of information to auditors**

Insofar as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 18 December 2018 and signed on its behalf by:



**J Hughes  
Chair**

# NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)

(A Company Limited by Guarantee)

## GOVERNANCE STATEMENT

### Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Head Teachers, 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 Nicholas Postgate Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

| Director  | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| F J Campbell (resigned 31 August 2018), Chair until 31 August 2018          | 6                 | 6                 |
| J Hughes (appointed 15 January 2018), Chair from 1 September 2018           | 1                 | 3                 |
| E J Nicholls (resigned 31 August 2018), Vice Chair                          | 2                 | 6                 |
| J W Brown (appointed 15 January 2018)                                       | 0                 | 3                 |
| M Campbell (resigned 31 August 2018)  | 4                 | 6                 |
| A Coulson (resigned 31 December 2017)                                       | 1                 | 3                 |
| B Coulston (resigned 31 August 2018)  | 5                 | 6                 |
| K Duffy (appointed 15 January 2018)   | 1                 | 3                 |
| S Dunn (resigned 1 September 2017)  | 0                 | 0                 |
| C M Garvey (resigned 31 August 2018)  | 3                 | 6                 |
| S K Geaves (resigned 31 August 2018), Head Teacher & Accounting Officer     | 5                 | 6                 |
| H Hegarty (appointed 4 June 2018), Accounting officer from 1 September 2018 | 1                 | 1                 |
| N Mack (appointed 15 January 2018)  | 0                 | 3                 |
| M McCullagh (appointed 15 January 2018)                                     | 1                 | 3                 |
| K Sill (resigned 8 March 2018)  | 1                 | 4                 |
| S Smith (resigned 31 August 2018)   | 4                 | 6                 |
| P M Strudwick (resigned 8 March 2018)                                       | 2                 | 4                 |
| A G Toward (resigned 8 March 2018)  | 1                 | 4                 |
| Father D L Turnham  | 6                 | 6                 |
| J Walton (appointed 15 January 2018)  | 1                 | 3                 |
| J Wilson (appointed 15 January 2018)  | 0                 | 3                 |
| N A Woodhouse (resigned 31 August 2018)                                     | 1                 | 6                 |

Head Teachers resigned off the Board of Directors in readiness for the new Academy Trust merger. New Directors were appointed in January who mainly were part of the Academy Trust shadow Board of Directors which met to drive forward the new Academy Trust leaving existing Directors to oversee and manage current operations. The new Academy Trust appointed the CEO in June 2018 but he did not become Accounting Officer until 1 September 2018. One Head teacher left 31 December 2017 to move to another Academy and that role was not replaced on the Board of Directors.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**GOVERNANCE STATEMENT (continued)**

**Governance (continued)**

Directors ensure in each year that they undertake ongoing training and reviews of skills that were carried out in year. There was a review in relation to attendance of the Head teachers at the Board of Directors and to improve the challenge and be more autonomous, an agreement was made to remove the Head Teachers from the Board of Directors. The Board of Directors also received updates from the future Academy Trust's shadow Board of Directors and supported and worked jointly to allow for a smoother merger in transition.

The new Academy Trust has entered its period of training and will be in the first year of ongoing reviews of how governance will operate and all necessary documentation and guidance will be updated. The new Academy Trust has appointed strategic governor advisors to support the organisation in its first year of operation.

The Resources and Audit Committee is a sub-committee of the main Board of Directors. Its purpose is to:

Maintain oversight of the Academy Trust's governance, risk management, internal control and financial management. It reports its findings on an ongoing basis to the Board of Directors and the Accounting officer. It also ensures compliance with key documents of the funding agreement, financial handbook and the article requirements. The committee looks at resources on a whole and their management and this includes staff, buildings and finances. On a detailed level it looks at budget setting and control, pay policy and pay awards, performance, premises management and risk and the findings of internal and external audit.

Attendance at meetings in the year was as follows:

| Director                                      | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| M Campbell                                    | 3                 | 4                 |
| B Coulston                                    | 4                 | 4                 |
| S K Geaves, Head Teacher & Accounting Officer | 4                 | 4                 |
| S Smith                                       | 3                 | 4                 |
| Father D L Turnham                            | 3                 | 4                 |

**Review of Value for Money**

As Accounting Officer, one of the Head Teachers has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Ensuring all Service level agreements were still relevant.
- Increasing the level of invoices paid monthly to improve cash flows.
- Working with the other Trusts joining the new MAT to ensure best practice and savings.
- Planning for the merger by reviewing the current contract register and looking to see where efficiencies could be made upon merger.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Nicholas Postgate Catholic Academy Trust for the period 1<sup>st</sup> September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**GOVERNANCE STATEMENT (continued)**

**Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the finance and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the directors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of petty cash/expenses procedures;
- Testing of income;
- Testing of the accounting systems and management information produced;
- Review of governor appointments/resignations and declarations of interest;
- Review of gifts and hospitality & honorarium/ex-gratia payments;
- Review of information technology strategy;
- Review of fixed assets;
- Review of VAT and Corporation tax position

On a termly basis, the external auditors report to the Board of Directors through the Resource and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

As Accounting Officer, one of the Head Teachers 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 external auditors;
- input from other Head teachers in the Academy Trust and Local Management Boards;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 18 December 2018 and signed on their behalf, by:



**J Hughes**  
Chair



**H Hegarty**  
Accounting Officer

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**


**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Nicholas Postgate Catholic Academy Trust (formerly Nicholas Postgate Academy Trust) I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



**H Hegarty**  
**Accounting Officer (from 1 September 2018)**  
**18 December 2018**



**S Geaves**  
**Accounting Officer (to 31 August 2018)**  
**18 December 2018**



**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 18 December 2018 and signed on its behalf by:



**J Hughes**  
Chair

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**Opinion**

We have audited the financial statements of Nicholas Postgate Catholic Academy Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



Christopher Beaumont BA (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT  
18 December 2018

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nicholas Postgate Catholic Academy Trust during the year 1 September 2017 to 31 August 2018 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 Nicholas Postgate Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Nicholas Postgate Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nicholas Postgate Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Nicholas Postgate Catholic Academy Trust 's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Nicholas Postgate Catholic Academy Trust 's funding agreement with the Secretary of State for Education dated 29 September 2014, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
(continued)**


**Approach (continued)**

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

18 December 2018

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

|  | Note     | Unrestricted<br>funds<br>2018<br>£000 | Restricted<br>funds<br>2018<br>£000 | Restricted<br>fixed asset<br>funds<br>2018<br>£000 | Total<br>funds<br>2018<br>£000 | Total<br>funds<br>2017<br>£000 |
|--|----------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| <b>INCOME FROM:</b>  |          |                                       |                                     |  |                                |                                |
| Donations and capital grants   | 2        | 17                                    | -                                   | 179  | 196                            | 91                             |
| Charitable activities:   | 5        |                                       |                                     |  |                                |                                |
| Funding for the academy trust's educational operations                     |          | -                                     | 8,948                               | -  | 8,948                          | 8,899                          |
| Other charitable activities  |          | -                                     | 368                                 | -  | 368                            | 23                             |
| Teaching schools   | 27       | 45                                    | 40                                  | -  | 85                             | 145                            |
| Other trading activities   | 3        | 747                                   | -                                   | -  | 747                            | 501                            |
| Investments  | 4        | 1                                     | -                                   | -  | 1                              | 1                              |
| <b>TOTAL INCOME</b>  |          | <b>810</b>                            | <b>9,356</b>                        | <b>179</b>   | <b>10,345</b>                  | <b>9,660</b>                   |
| <b>EXPENDITURE ON:</b>   |          |                                       |                                     |  |                                |                                |
| Academy trust educational operations                                       |          | 750                                   | 9,296                               | 126  | 10,172                         | 9,766                          |
| Teaching schools   | 27       | 64                                    | 51                                  | -  | 115                            | 130                            |
| <b>TOTAL EXPENDITURE</b>   | <b>7</b> | <b>814</b>                            | <b>9,347</b>                        | <b>126</b>   | <b>10,287</b>                  | <b>9,896</b>                   |
| <b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>                         |          | <b>(4)</b>                            | <b>9</b>                            | <b>53</b>  | <b>58</b>                      | <b>(236)</b>                   |
| Transfers between Funds  | 18       | -                                     | (103)                               | 103  | -                              | -                              |
| <b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b> |          | <b>(4)</b>                            | <b>(94)</b>                         | <b>156</b>   | <b>58</b>                      | <b>(236)</b>                   |
| Actuarial gains on defined benefit pension schemes                         | 23       | -                                     | 433                                 | -  | 433                            | 2,028                          |
| <b>NET MOVEMENT IN FUNDS</b>   |          | <b>(4)</b>                            | <b>339</b>                          | <b>156</b>   | <b>491</b>                     | <b>1,792</b>                   |
| <b>RECONCILIATION OF FUNDS:</b>  |          |                                       |                                     |  |                                |                                |
| Total funds brought forward  |          | 911                                   | (1,450)                             | 2,391  | 1,852                          | 60                             |
| <b>TOTAL FUNDS CARRIED FORWARD</b>   |          | <b>907</b>                            | <b>(1,111)</b>                      | <b>2,547</b>                                       | <b>2,343</b>                   | <b>1,852</b>                   |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 09203984**

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

|  | Note | £000         | 2018<br>£000 | £000         | 2017<br>£000 |
|--|------|--------------|--------------|--------------|--------------|
| <b>FIXED ASSETS</b>  |      |              |              |              |              |
| Intangible assets  | 13   |              | -            |              | -            |
| Tangible assets  | 14   |              | 2,569        |              | 2,390        |
|  |      |              | <u>2,569</u> |              | <u>2,390</u> |
| <b>CURRENT ASSETS</b>  |      |              |              |              |              |
| Debtors  | 15   | 300          |              | 308          |              |
| Cash at bank and in hand                                       |      | 1,561        |              | 1,506        |              |
|  |      | <u>1,861</u> |              | <u>1,814</u> |              |
| <b>CREDITORS:</b> amounts falling due within one year          | 16   | (676)        |              | (711)        |              |
|  |      |              | <u>1,185</u> |              | <u>1,103</u> |
| <b>NET CURRENT ASSETS</b>                                      |      |              |              |              |              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |              | <u>3,754</u> |              | <u>3,493</u> |
| <b>CREDITORS:</b> amounts falling due after more than one year | 17   |              | (55)         |              | (66)         |
|  |      |              | <u>3,699</u> |              | <u>3,427</u> |
| <b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>         |      |              |              |              |              |
| Defined benefit pension scheme liability                       | 23   |              | (1,356)      |              | (1,575)      |
|  |      |              | <u>2,343</u> |              | <u>1,852</u> |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>         |      |              |              |              |              |
| <b>FUNDS OF THE ACADEMY</b>                                    |      |              |              |              |              |
| Restricted income funds:                                       |      |              |              |              |              |
| Restricted income funds  | 18   | 245          |              | 125          |              |
| Restricted fixed asset funds                                   | 18   | 2,547        |              | 2,391        |              |
|  |      | <u>2,792</u> |              | <u>2,516</u> |              |
| Restricted income funds excluding pension liability            |      |              |              |              |              |
| Pension reserve  |      | (1,356)      |              | (1,575)      |              |
|  |      |              | <u>1,436</u> |              | <u>941</u>   |
| Total restricted income funds                                  |      |              |              |              |              |
| Unrestricted income funds                                      | 18   |              | 907          |              | 911          |
|  |      |              | <u>2,343</u> |              | <u>1,852</u> |
| <b>TOTAL FUNDS</b>   |      |              |              |              |              |



**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**BALANCE SHEET (continued)  
AS AT 31 AUGUST 2018**

The financial statements on pages 21 to 52 were approved by the Directors, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:



**J Hughes**  
Chair

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

|  | Note | 2018<br>£000 | 2017<br>£000 |
|--|------|--------------|--------------|
| <b>Cash flows from operating activities</b>            |      |              |              |
| Net cash provided by operating activities              | 20   | 194          | 81           |
| <b>Cash flows from investing activities:</b>           |      |              |              |
| Dividends, interest and rents from investments         |      | 1            | 1            |
| Purchase of tangible fixed assets                      |      | (305)        | (88)         |
| Capital grants from DfE Group                          |      | 178          | 63           |
| <b>Net cash used in investing activities</b>           |      | (126)        | (24)         |
| <b>Cash flows from financing activities:</b>           |      |              |              |
| Repayments of borrowings                               |      | (13)         | (18)         |
| <b>Net cash used in financing activities</b>           |      | (13)         | (18)         |
| <b>Change in cash and cash equivalents in the year</b> |      | 55           | 39           |
| Cash and cash equivalents brought forward              |      | 1,506        | 1,467        |
| <b>Cash and cash equivalents carried forward</b>       | 21   | 1,561        | 1,506        |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Nicholas Postgate Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

**1.3 Income**

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Intangible fixed assets and amortisation**

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

|                   |   |                       |
|-------------------|---|-----------------------|
| Computer Software | - | 3 years straight line |
|-------------------|---|-----------------------|

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

|                          |   |                             |
|--------------------------|---|-----------------------------|
| Long-term leasehold land | - | 125 years straight line     |
| Leasehold property       | - | 25 - 50 years straight line |
| Fixtures and fittings    | - | 5 years straight line       |
| Motor vehicles           | - | 4 years straight line       |
| Computer equipment       | - | 3 years straight line       |

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

**1.8 Operating leases**

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

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 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.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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**1. ACCOUNTING POLICIES (continued)**

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation and amortisation – Depreciation and amortisation is calculated so as to write off the cost of a tangible or intangible asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation and amortisations accounting policies. The value of depreciation and amortisation charge during the year was £126,000.

Land and buildings – Land is held under a 125 year lease from Redcar and Cleveland Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

The academy trust operated five academies. Two of those are PFI schools and having reviewed the contracts the Directors have concluded that the risks and rewards do not reside with the academy trust and therefore have been excluded from the financial statements.

The other three academy buildings are owned by the Diocese of Middlesbrough. The academy trust occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does vest any rights over the buildings to the academy trust. Having considered the factual matrix under which the academy trust is occupying the buildings the Directors have concluded that the value of the buildings on transfer occupied by the academy trust will not be recognised on the balance sheet of the academy trust. Any additions will be treated as leasehold improvements and depreciated over their economic life.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

|                | Unrestricted<br>funds<br>2018<br>£000 | Restricted<br>funds<br>2018<br>£000 | Restricted<br>fixed asset<br>funds<br>2018<br>£000 | Total<br>funds<br>2018<br>£000 | Total<br>funds<br>2017<br>£000 |
|----------------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Donations      | 17                                    | -                                   | -  | 17                             | 28                             |
| Capital Grants | -                                     | -                                   | 179  | 179                            | 63                             |
|                | <u>17</u>                             | <u>-</u>                            | <u>179</u>   | <u>196</u>                     | <u>91</u>                      |
| Total 2017     | <u>28</u>                             | <u>-</u>                            | <u>63</u>  | <u>91</u>                      |                                |

**3. OTHER TRADING ACTIVITIES**

|                         | Unrestricted<br>funds<br>2018<br>£000 | Restricted<br>funds<br>2018<br>£000 | Total<br>funds<br>2018<br>£000 | Total<br>funds<br>2017<br>£000 |
|-------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Sundry income           | 221                                   | -                                   | 221                            | 166                            |
| Lettings income         | 8                                     | -                                   | 8                              | 6                              |
| Uniforms income         | 4                                     | -                                   | 4                              | 8                              |
| Trip income             | 221                                   | -                                   | 221                            | 108                            |
| Staff absence insurance | 112                                   | -                                   | 112                            | 69                             |
| Catering income         | 63                                    | -                                   | 63                             | 62                             |
| School transport        | 118                                   | -                                   | 118                            | 82                             |
|                         | <u>747</u>                            | <u>-</u>                            | <u>747</u>                     | <u>501</u>                     |
| Total 2017              | <u>501</u>                            | <u>-</u>                            | <u>501</u>                     |                                |

**4. INVESTMENT INCOME**

|               | Unrestricted<br>funds<br>2018<br>£000 | Restricted<br>funds<br>2018<br>£000 | Total<br>funds<br>2018<br>£000 | Total<br>funds<br>2017<br>£000 |
|---------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Bank interest | 1                                     | -                                   | 1                              | 1                              |
| Total 2017    | <u>1</u>                              | <u>-</u>                            | <u>1</u>                       |                                |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|  | Unrestricted<br>funds<br>2018<br>£000 | Restricted<br>funds<br>2018<br>£000 | Total<br>funds<br>2018<br>£000 | Total<br>funds<br>2017<br>£000 |
|--|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| <b>DfE/ESFA grants</b>                       |                                       |                                     |                                |                                |
| General Annual Grant (GAG)                   | -                                     | 7,806                               | 7,806                          | 7,822                          |
| Pupil Premium                                | -                                     | 388                                 | 388                            | 381                            |
| Other DfE/ESFA Grants                        | -                                     | 280                                 | 280                            | 241                            |
|  | -                                     | 8,474                               | 8,474                          | 8,444                          |
| <b>Other Government grants</b>               |                                       |                                     |                                |                                |
| National College for Teaching and Leadership | -                                     | 8                                   | 8                              | 23                             |
| SEN  | -                                     | 59                                  | 59                             | 71                             |
| Other Government Grants                      | -                                     | 384                                 | 384                            | 382                            |
|  | -                                     | 451                                 | 451                            | 476                            |
| <b>Other funding</b>                         |                                       |                                     |                                |                                |
| Other Grants                                 | -                                     | 10                                  | 10                             | 2                              |
| Conversion Income                            | -                                     | 381                                 | 381                            | -                              |
|  | -                                     | 391                                 | 391                            | 2                              |
|  | -                                     | 9,316                               | 9,316                          | 8,922                          |
| <b>Total 2017</b>                            | -                                     | 8,922                               | 8,922                          |                                |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**6. CHARITABLE ACTIVITIES**

|                                       | 2018<br>£000          | 2017<br>£000         |
|---------------------------------------|-----------------------|----------------------|
| <b>DIRECT COSTS</b>                   |                       |                      |
| Wages and salaries                    | 4,883                 | 4,755                |
| National insurance                    | 457                   | 437                  |
| Pension cost                          | 936                   | 992                  |
| Educational supplies                  | 247                   | 254                  |
| Examination fees                      | 52                    | 48                   |
| Staff development                     | 40                    | 34                   |
| Technology costs                      | 14                    | 33                   |
| Other direct costs                    | 257                   | 137                  |
| Recruitment and support               | -                     | 13                   |
|                                       | <hr/> 6,886           | <hr/> 6,703          |
| <b>SUPPORT COSTS</b>                  |                       |                      |
| Wages and salaries                    | 662                   | 639                  |
| National insurance                    | 45                    | 40                   |
| Pension costs                         | 87                    | 79                   |
| Depreciation and amortisation         | 126                   | 128                  |
| Net interest cost on pension scheme   | 37                    | 64                   |
| Technology costs                      | 119                   | 143                  |
| Recruitment and support               | 4                     | 3                    |
| Maintenance of premises and equipment | 1,116                 | 1,084                |
| Cleaning                              | 42                    | 45                   |
| Rates                                 | 67                    | 67                   |
| Energy                                | 29                    | 28                   |
| Insurance                             | 100                   | 97                   |
| Security                              | 1                     | 1                    |
| Transport                             | 144                   | 143                  |
| Catering                              | 212                   | 184                  |
| Occupancy costs                       | 18                    | 16                   |
| Other support costs                   | 202                   | 236                  |
| Governance costs                      | 275                   | 66                   |
|                                       | <hr/> 3,286           | <hr/> 3,063          |
|                                       | <hr/><br><hr/> 10,172 | <hr/><br><hr/> 9,766 |

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**7. EXPENDITURE**

|                                   | Staff costs<br>2018<br>£000 | Premises<br>2018<br>£000 | Other costs<br>2018<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|-----------------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------|-----------------------|
| Academy's educational operations: |                             |                          |                             |                       |                       |
| Direct costs                      | 6,276                       | -                        | 610                         | 6,886                 | 6,703                 |
| Support costs                     | 794                         | 1,333                    | 1,159                       | 3,286                 | 3,063                 |
| Teaching schools                  | -                           | -                        | 115                         | 115                   | 130                   |
|                                   | <u>7,070</u>                | <u>1,333</u>             | <u>1,884</u>                | <u>10,287</u>         | <u>9,896</u>          |
| Total 2017                        | <u>6,942</u>                | <u>1,334</u>             | <u>1,620</u>                | <u>9,896</u>          |                       |

In 2018 of the total expenditure, £814,000 (2017: £455,000) was to unrestricted funds and £9,473,000 (2017: £9,441,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Depreciation and amortisation of fixed assets: |              |              |
| - owned by the charity                         | 126          | 122          |
| Amortisation of intangible fixed assets        | -            | 6            |
| Auditors' remuneration - audit                 | 12           | 11           |
| Auditors' remuneration - other services        | 4            | 3            |
| Operating lease rentals                        | <u>27</u>    | <u>28</u>    |

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Wages and salaries                                 | 5,348        | 5,176        |
| Social security costs                              | 502          | 477          |
| Operating costs of defined benefit pension schemes | 1,023        | 1,071        |
|  | <hr/>        | <hr/>        |
|  | 6,873        | 6,724        |
| Supply staff costs                                 | 182          | 213          |
| Staff restructuring costs                          | 15           | 5            |
|  | <hr/>        | <hr/>        |
|  | 7,070        | 6,942        |
|  | <hr/>        | <hr/>        |

Included within operating costs of defined benefit pension schemes is £177,000 (2017: £254,000) in respect of movements in the LGPS deficit.

Staff restructuring costs comprise:

|                     | 2018<br>£000 | 2017<br>£000 |
|---------------------|--------------|--------------|
| Redundancy payments | 15           | 1            |
| Severance payments  | -            | 4            |
|                     | <hr/>        | <hr/>        |
|                     | 15           | 5            |
|                     | <hr/>        | <hr/>        |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £4,000).

**b. Staff numbers**

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

|                            | 2018<br>No. | 2017<br>No. |
|----------------------------|-------------|-------------|
| Teachers                   | 110         | 105         |
| Administration and support | 120         | 129         |
| Management                 | 6           | 6           |
|                            | <hr/>       | <hr/>       |
|                            | 236         | 240         |
|                            | <hr/>       | <hr/>       |

**c. Higher paid staff**

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

|                               | 2018<br>No. | 2017<br>No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 3           | 2           |
| In the band £70,001 - £80,000 | 1           | 1           |

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**9. STAFF COSTS (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprise the head teachers of the academies within the trust. The total amount of employee benefits (including employer national insurance, employer pension contributions) received by key management personnel for their services to the academy trust was £438,000 (2017: £467,000).

**10. CENTRAL SERVICES**

The academy trust has provided the following central services to its academies during the year:

- Human Resources
- Administration Support Services
- Educational Support Services

The academy trust charges for these services on the following basis:

ESG grant received plus an amount based on affordability which was agreed when the initial budget is set.

The actual amounts charged during the year were as follows:

|   | 2018<br>£000 | 2017<br>£000 |
|---|--------------|--------------|
| St Bede's Voluntary Catholic Primary Academy      | 77           | 36           |
| St Paulinus Voluntary Catholic Primary Academy    | 55           | 20           |
| St Joseph's Voluntary Catholic Primary Academy    | 7            | 18           |
| Sacred Heart Secondary Catholic Voluntary Academy | 38           | 69           |
| St Benedict's Catholic Primary School             | 18           | 47           |
| Nicholas Postgate Trust                           | 43           | 66           |
|   | <hr/>        | <hr/>        |
| Total   | 238          | 256          |
|   | <hr/>        | <hr/>        |

**11. DIRECTORS' AND OFFICERS' INSURANCE**

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

In accordance with normal commercial practice two academies have purchased insurance to protect Directors 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 on any one claim and the cost for the year ended 31 August 2018 was £500 (2017 - £500).

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**12. DIRECTORS' REMUNERATION AND EXPENSES**

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

|                                       |                            | 2018<br>£000 | 2017<br>£000 |
|---------------------------------------|----------------------------|--------------|--------------|
| P Strudwick (resigned 8 March 2018)   | Remuneration               | 40-45        | 70-75        |
|                                       | Pension contributions paid | 5-10         | 10-15        |
| M E Henry (resigned 31 December 2016) | Remuneration               | -            | 20-25        |
|                                       | Pension contributions paid | -            | 0-5          |
| A G Toward (resigned 8 March 2018)    | Remuneration               | 30-35        | 60-65        |
|                                       | Pension contributions paid | 5-10         | 10-15        |
| A Coulson (resigned 31 December 2017) | Remuneration               | 15-20        | 55-60        |
|                                       | Pension contributions paid | 0-5          | 5-10         |
| S K Geaves (resigned 31 August 2018)  | Remuneration               | 55-60        | 55-60        |
|                                       | Pension contributions paid | 5-10         | 5-10         |
| K Sill (resigned 8 March 2018)        | Remuneration               | 35-40        | 30-35        |
|                                       | Pension contributions paid | 5-10         | 5-10         |

During the year, one Director received reimbursement of expenses totalling £47 (2017 - £399).

**13. INTANGIBLE FIXED ASSETS**

|  | Software<br>£000 |
|--|------------------|
| <b>Cost</b>                            |                  |
| At 1 September 2017 and 31 August 2018 | 20               |
| <b>Amortisation</b>                    |                  |
| At 1 September 2017 and 31 August 2018 | 20               |
| <b>Carrying amount</b>                 |                  |
| At 31 August 2018                      | -                |
| At 31 August 2017                      | -                |

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**14. TANGIBLE FIXED ASSETS**

|                       | Long-term<br>leasehold<br>property<br>£000 | Fixtures and<br>fittings<br>£000 | Motor<br>vehicles<br>£000 | Computer<br>equipment<br>£000 | Total<br>£000 |
|-----------------------|--|----------------------------------|---------------------------|-------------------------------|---------------|
| <b>Cost</b>           |  |                                  |                           |                               |               |
| At 1 September 2017   | 2,274                                      | 147                              | 2                         | 211                           | 2,634         |
| Additions             | 200  | 28                               | -                         | 77                            | 305           |
| At 31 August 2018     | 2,474                                      | 175                              | 2                         | 288                           | 2,939         |
| <b>Depreciation</b>   |  |                                  |                           |                               |               |
| At 1 September 2017   | 64   | 50                               | 2                         | 128                           | 244           |
| Charge for the year   | 31   | 33                               | -                         | 62                            | 126           |
| At 31 August 2018     | 95   | 83                               | 2                         | 190                           | 370           |
| <b>Net book value</b> |  |                                  |                           |                               |               |
| At 31 August 2018     | 2,379                                      | 92                               | -                         | 98                            | 2,569         |
| At 31 August 2017     | 2,210                                      | 97                               | -                         | 83                            | 2,390         |

**15. DEBTORS**

|                                | 2018<br>£000 | 2017<br>£000 |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 5            | 6            |
| VAT repayable                  | 117          | 151          |
| Prepayments and accrued income | 178          | 151          |
|                                | <u>300</u>   | <u>308</u>   |

**16. CREDITORS: Amounts falling due within one year**

|                                    | 2018<br>£000 | 2017<br>£000 |
|------------------------------------|--------------|--------------|
| Other loans                        | 14           | 16           |
| Trade creditors                    | 193          | 203          |
| Other taxation and social security | 117          | 119          |
| Other creditors                    | 107          | 108          |
| Accruals and deferred income       | 245          | 265          |
|                                    | <u>676</u>   | <u>711</u>   |



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**16. CREDITORS: Amounts falling due within one year (continued)**

|                                      | 2018<br>£000 | 2017<br>£000 |
|--------------------------------------|--------------|--------------|
| <b>Deferred income</b>               |              |              |
| Deferred income at 1 September 2017  | 208          | 169          |
| Resources deferred during the year   | 171          | 208          |
| Amounts released from previous years | (208)        | (169)        |
|                                      | <hr/>        | <hr/>        |
| Deferred income at 31 August 2018    | 171          | 208          |
|                                      | <hr/>        | <hr/>        |

Deferred income relates to Universal Infant Free School Meals, Rates Relief, Early Years funding and school transport & trip income that straddle the academic year end.

**17. CREDITORS: Amounts falling due after more than one year**

|             | 2018<br>£000 | 2017<br>£000 |
|-------------|--------------|--------------|
| Other loans | 55           | 66           |
|             | <hr/>        | <hr/>        |

Creditors include amounts not wholly repayable within 5 years as follows:

|                          | 2018<br>£000 | 2017<br>£000 |
|--------------------------|--------------|--------------|
| Repayable by instalments | 11           | 22           |
|                          | <hr/>        | <hr/>        |

Included within other loans are loans of £55,000 to St. Paulinus Primary Catholic Voluntary Academy and £4,000 to St Josephs Primary Catholic Voluntary Academy from the Diocese of Middlesbrough which are provided on the following terms:

|   |                              |
|---|------------------------------|
| St. Paulinus Primary Catholic Voluntary Academy |                              |
| Period of loan                                  | 9 years                      |
| Interest  | 3% p.a. on balances - waived |
| Repayment terms                                 | annual equal repayments      |

|   |                              |
|---|------------------------------|
| St Josephs Primary Catholic Voluntary Academy |                              |
| Period of loan                                | 4 years                      |
| Interest                                      | 3% p.a. on balances - waived |
| Repayment terms                               | annual equal repayments      |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**18. STATEMENT OF FUNDS**

|  | Balance at 1<br>September<br>2017<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2018<br>£000 |
|--|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>Unrestricted funds</b>                          |   |                |                     |                             |                            |   |
| General reserves                                   | 686                                       | 765            | (715)               | -                           | -                          | 736                                     |
| Private school funds                               | 125                                       | -              | (48)                | -                           | -                          | 77                                      |
| Teaching alliance                                  | 81  | 45             | (51)                | -                           | -                          | 75                                      |
| PFI reserve  | 19  | -              | -                   | -                           | -                          | 19                                      |
|  | <u>911</u>                                | <u>810</u>     | <u>(814)</u>        | <u>-</u>                    | <u>-</u>                   | <u>907</u>                              |
| <b>Restricted funds</b>                            |   |                |                     |                             |                            |   |
| General Annual Grant<br>(GAG)                      | -   | 7,806          | (7,703)             | (103)                       | -                          | -                                       |
| Pupil Premium                                      | 88  | 388            | (420)               | -                           | -                          | 56                                      |
| National College for<br>Teaching and<br>Leadership | 28  | 40             | (64)                | -                           | -                          | 4                                       |
| Other DfE/ESFA grants                              | 9   | 288            | (274)               | -                           | -                          | 23                                      |
| SEN funding  | -   | 59             | (59)                | -                           | -                          | -                                       |
| Other Government grants                            | -   | 384            | (384)               | -                           | -                          | -                                       |
| Other grants                                       | -   | 391            | (229)               | -                           | -                          | 162                                     |
| Pension reserve                                    | (1,575)                                   | -              | (214)               | -                           | 433                        | (1,356)                                 |
|  | <u>(1,450)</u>                            | <u>9,356</u>   | <u>(9,347)</u>      | <u>(103)</u>                | <u>433</u>                 | <u>(1,111)</u>                          |
| <b>Restricted fixed asset funds</b>                |   |                |                     |                             |                            |   |
| DfE/ESFA capital grants                            | 489                                       | 179            | (32)                | -                           | -                          | 636                                     |
| Capital expenditure from<br>GAG                    | 93  | -              | (27)                | 103                         | -                          | 169                                     |
| Private sector capital<br>sponsorship              | 13  | -              | (1)                 | -                           | -                          | 12                                      |
| Inherited on conversion                            | 1,724                                     | -              | (58)                | -                           | -                          | 1,666                                   |
| Unrestricted fixed assets                          | 54  | -              | (5)                 | -                           | -                          | 49                                      |
| Big lottery  | 18  | -              | (3)                 | -                           | -                          | 15                                      |
|  | <u>2,391</u>                              | <u>179</u>     | <u>(126)</u>        | <u>103</u>                  | <u>-</u>                   | <u>2,547</u>                            |
| Total restricted funds                             | <u>941</u>                                | <u>9,535</u>   | <u>(9,473)</u>      | <u>-</u>                    | <u>433</u>                 | <u>1,436</u>                            |
| Total of funds                                     | <u>1,852</u>                              | <u>10,345</u>  | <u>(10,287)</u>     | <u>-</u>                    | <u>433</u>                 | <u>2,343</u>                            |

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

The General Annual Grant (GAG) must be used for the normal running of the Academy Trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

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

Pupil Premium is additional funding to be spent as the Academy Trust sees fit to support deprived students.

NCTL Teaching School funding is restricted grants received from the National College for Leadership and Teaching. Other DfE/ESFA grants relates to universal infant free school meals, rates relief and PE sports grant.

SEN funding is funding to provide additional support to qualifying pupils. Other Government grants relates to early years funding, two year old income and SEN received from the council.

Other grant income related to conversion monies which have been received from the other academy trusts which joined the new Multi Academy Trust on 1 September 2018. This income is to be spent on the costs of conversion, of which a significant amount was incurred in the current period.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds includes income from trips, catering, before and after school club, teaching alliance and other income. Relevant costs have been allocated accordingly.

Transfers represent monies transferred from revenue to fund the purchase of fixed assets and to cover loan repayments in the year.

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 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

|   | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|---|-----------------------|-----------------------|
| St Bede's Voluntary Catholic Primary Academy      | 165                   | 165                   |
| St Paulinus Voluntary Catholic Primary Academy    | 186                   | 192                   |
| St Joseph's Voluntary Catholic Primary Academy    | 90                    | 78                    |
| Sacred Heart Secondary Catholic Academy           | 301                   | 306                   |
| St Benedict's Primary Catholic Voluntary Academy  | 274                   | 249                   |
| Nicholas Postgate Trust                           | 136                   | 46                    |
|   | <hr/>                 | <hr/>                 |
| Total before fixed asset fund and pension reserve | 1,152                 | 1,036                 |
| Restricted fixed asset fund                       | 2,547                 | 2,391                 |
| Pension reserve                                   | (1,356)               | (1,575)               |
|   | <hr/>                 | <hr/>                 |
| Total   | 2,343                 | 1,852                 |
|   | <hr/>                 | <hr/>                 |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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

**ANALYSIS OF ACADEMIES BY COST**

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

|  | Teaching<br>and<br>educational<br>support staff<br>costs<br>£000 | Other<br>support staff<br>costs<br>£000 | Educational<br>supplies<br>£000 | Other costs<br>excluding<br>depreciation<br>£000 | Total<br>2018<br>£000 | Total<br>2017<br>£000 |
|--|--|---|---------------------------------|--|-----------------------|-----------------------|
| St Bede's Voluntary Catholic Primary Academy     | 667  | 88                                      | 31                              | 360  | 1,146                 | 1,090                 |
| St Paulinus Voluntary Catholic Primary Academy   | 674  | 96                                      | 58                              | 193  | 1,021                 | 1,027                 |
| St Joseph's Voluntary Catholic Primary Academy   | 548  | 119                                     | 25                              | 157  | 849                   | 923                   |
| Sacred Heart Secondary Catholic Academy          | 2,983  | 278                                     | 64                              | 1,311  | 4,636                 | 4,475                 |
| St Benedict's Primary Catholic Voluntary Academy | 1,227  | 99                                      | 69                              | 529  | 1,924                 | 1,810                 |
| Nicholas Postage Trust                           | 177  | 114                                     | -                               | 295  | 586                   | 443                   |
|  | <u>6,276</u>   | <u>794</u>                              | <u>247</u>                      | <u>2,845</u>                                     | <u>10,162</u>         | <u>9,768</u>          |

**STATEMENT OF FUNDS - PRIOR YEAR**

|                      | Balance at<br>1 September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2017<br>£000 |
|----------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>General funds</b> |   |                |                     |                             |                            |   |
| General reserves     | 542                                       | 365            | (221)               | -                           | -                          | 686                                     |
| Private school funds | 131                                       | 158            | (164)               | -                           | -                          | 125                                     |
| Teaching school      | 58  | 93             | (70)                | -                           | -                          | 81                                      |
| PFI reserve          | -   | 19             | -                   | -                           | -                          | 19                                      |
|                      | <u>731</u>                                | <u>635</u>     | <u>(455)</u>        | <u>-</u>                    | <u>-</u>                   | <u>911</u>                              |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Restricted funds**

|  |                |              |                |             |              |                |
|--|----------------|--------------|----------------|-------------|--------------|----------------|
| General Annual Grant (GAG)                   | 106            | 7,822        | (7,859)        | (69)        | -            | -              |
| Pupil Premium                                | 77             | 381          | (370)          | -           | -            | 88             |
| National College for Teaching and Leadership | 29             | 63           | (64)           | -           | -            | 28             |
| Other DfE/ESFA grants                        | 15             | 241          | (247)          | -           | -            | 9              |
| SEN funding                                  | -              | 71           | (71)           | -           | -            | -              |
| Other Government grants                      | -              | 382          | (382)          | -           | -            | -              |
| Other grants                                 | -              | 2            | (2)            | -           | -            | -              |
| Pension reserve                              | (3,285)        | -            | (318)          | -           | 2,028        | (1,575)        |
|  | <u>(3,058)</u> | <u>8,962</u> | <u>(9,313)</u> | <u>(69)</u> | <u>2,028</u> | <u>(1,450)</u> |

**Restricted fixed asset funds**

|                                    |              |              |                |           |              |              |
|------------------------------------|--------------|--------------|----------------|-----------|--------------|--------------|
| DfE/ESFA capital grants            | 472          | 44           | (27)           | -         | -            | 489          |
| Capital expenditure from GAG       | 44           | -            | (20)           | 69        | -            | 93           |
| Private sector capital sponsorship | 14           | -            | (1)            | -         | -            | 13           |
| Inherited on conversion            | 1,799        | -            | (75)           | -         | -            | 1,724        |
| Unrestricted fixed assets          | 58           | -            | (4)            | -         | -            | 54           |
| Big lottery                        | -            | 19           | (1)            | -         | -            | 18           |
|                                    | <u>2,387</u> | <u>63</u>    | <u>(128)</u>   | <u>69</u> | <u>-</u>     | <u>2,391</u> |
| Total restricted funds             | <u>(671)</u> | <u>9,025</u> | <u>(9,441)</u> | <u>-</u>  | <u>2,028</u> | <u>941</u>   |
| Total of funds                     | <u>60</u>    | <u>9,660</u> | <u>(9,896)</u> | <u>-</u>  | <u>2,028</u> | <u>1,852</u> |

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

|                           | Balance at<br>1 September<br>2016<br>£000 | Income<br>£000 | Expenditure<br>£000 | Transfers<br>in/out<br>£000 | Gains/<br>(Losses)<br>£000 | Balance at<br>31 August<br>2018<br>£000 |
|---------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| <b>Unrestricted funds</b> |   |                |                     |                             |                            |   |
| General reserves          | 542                                       | 1,130          | (936)               | -                           | -                          | 736                                     |
| Private school funds      | 131                                       | 158            | (212)               | -                           | -                          | 77                                      |
| Teaching school           | 58  | 138            | (121)               | -                           | -                          | 75                                      |
| PFI reserve               | -   | 19             | -                   | -                           | -                          | 19                                      |
|                           | <u>731</u>                                | <u>1,445</u>   | <u>(1,269)</u>      | <u>-</u>                    | <u>-</u>                   | <u>907</u>                              |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Restricted funds**

|  |                |               |                 |              |              |                |
|--|----------------|---------------|-----------------|--------------|--------------|----------------|
| General Annual Grant (GAG)                   | 106            | 15,628        | (15,562)        | (172)        | -            | -              |
| Pupil Premium                                | 77             | 769           | (790)           | -            | -            | 56             |
| National College for Teaching and Leadership | 29             | 103           | (128)           | -            | -            | 4              |
| Other DfE/ESFA grants                        | 15             | 529           | (521)           | -            | -            | 23             |
| SEN funding                                  | -              | 130           | (130)           | -            | -            | -              |
| Other Government grants                      | -              | 766           | (766)           | -            | -            | -              |
| Other grants                                 | -              | 393           | (231)           | -            | -            | 162            |
| Pension reserve                              | (3,285)        | -             | (532)           | -            | 2,461        | (1,356)        |
|  | <u>(3,058)</u> | <u>18,318</u> | <u>(18,660)</u> | <u>(172)</u> | <u>2,461</u> | <u>(1,111)</u> |

**Restricted fixed asset funds**

|                                    |              |               |                 |            |              |              |
|------------------------------------|--------------|---------------|-----------------|------------|--------------|--------------|
| DfE/ESFA capital grants            | 472          | 223           | (59)            | -          | -            | 636          |
| Capital expenditure from GAG       | 44           | -             | (47)            | 172        | -            | 169          |
| Private sector capital sponsorship | 14           | -             | (2)             | -          | -            | 12           |
| Inherited on conversion            | 1,799        | -             | (133)           | -          | -            | 1,666        |
| Unrestricted fixed assets          | 58           | -             | (9)             | -          | -            | 49           |
| Big lottery                        | -            | 19            | (4)             | -          | -            | 15           |
|                                    | <u>2,387</u> | <u>242</u>    | <u>(254)</u>    | <u>172</u> | <u>-</u>     | <u>2,547</u> |
|                                    | <u>(671)</u> | <u>18,560</u> | <u>(18,914)</u> | <u>-</u>   | <u>2,461</u> | <u>1,436</u> |
| Total of funds                     | <u>60</u>    | <u>20,005</u> | <u>(20,183)</u> | <u>-</u>   | <u>2,461</u> | <u>2,343</u> |

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

|  | Unrestricted funds<br>2018<br>£000 | Restricted funds<br>2018<br>£000 | Restricted fixed asset funds<br>2018<br>£000 | Total funds<br>2018<br>£000 |
|--|------------------------------------|----------------------------------|--|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 2,569  | 2,569                       |
| Current assets                         | 903                                | 980                              | (22)   | 1,861                       |
| Creditors due within one year          | 59                                 | (735)                            | -  | (676)                       |
| Creditors due in more than one year    | (55)                               | -                                | -  | (55)                        |
| Provisions for liabilities and charges | -                                  | (1,356)                          | -  | (1,356)                     |
|  | <u>907</u>                         | <u>(1,111)</u>                   | <u>2,547</u>                                 | <u>2,343</u>                |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|  | Unrestricted<br>funds | Restricted<br>funds | Restricted<br>fixed asset<br>funds | Total<br>funds |
|--|-----------------------|---------------------|------------------------------------|----------------|
|  | 2017<br>£000          | 2017<br>£000        | 2017<br>£000                       | 2017<br>£000   |
| Tangible fixed assets                  | -                     | -                   | 2,390                              | 2,390          |
| Current assets                         | 911                   | 820                 | 83                                 | 1,814          |
| Creditors due within one year          | -                     | (695)               | (16)                               | (711)          |
| Creditors due in more than one year    | -                     | -                   | (66)                               | (66)           |
| Provisions for liabilities and charges | -                     | (1,575)             | -                                  | (1,575)        |
|  | <u>911</u>            | <u>(1,450)</u>      | <u>2,391</u>                       | <u>1,852</u>   |

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

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 58           | (236)        |
| <b>Adjustment for:</b>   |              |              |
| Depreciation and amortisation charges  | 126          | 128          |
| Dividends, interest and rents from investments                                   | (1)          | (1)          |
| Decrease/(increase) in debtors   | 8            | (69)         |
| (Decrease)/increase in creditors   | (33)         | 4            |
| Capital grants from DfE and other capital income                                 | (178)        | (63)         |
| Defined benefit pension scheme cost less contributions payable                   | 177          | 254          |
| Defined benefit pension scheme finance cost                                      | 37           | 64           |
| <b>Net cash provided by operating activities</b>                                 | <u>194</u>   | <u>81</u>    |

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | 2018<br>£000 | 2017<br>£000 |
|--------------|--------------|--------------|
| Cash in hand | 1,561        | 1,506        |
| <b>Total</b> | <u>1,561</u> | <u>1,506</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. CAPITAL COMMITMENTS**

At 31 August 2018 the academy trust had capital commitments as follows:

|   | 2018<br>£000 | 2017<br>£000 |
|---|--------------|--------------|
| Contracted for but not provided in these financial statements | 92           | -            |

**23. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Borough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £107,000 were payable to the schemes at 31 August 2018 (2017 - £106,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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



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**23. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £632,000 (2017 - £617,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £294,000 (2017 - £278,000), of which employer's contributions totalled £214,000 (2017 - £200,000) and employees' contributions totalled £78,000 (2017 - £78,000). The agreed contribution rates for future years are 14.6% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

|  | 2018    | 2017    |
|--|---------|---------|
| Discount rate for scheme liabilities                 | 2.80 %  | 2.50 %  |
| Rate of increase in salaries                         | 3.00 %  | 3.00 %  |
| Rate of increase for pensions in payment / inflation | 2.00 %  | 2.00 %  |
| Inflation assumption (CPI)                           | 2.00 %  | 2.00 %  |
| Commutation of pensions to lump sums                 | 80.00 % | 80.00 % |

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

|                      | 2018 | 2017 |
|----------------------|------|------|
| Retiring today       |      |      |
| Males                | 22.9 | 22.8 |
| Females              | 25.0 | 24.9 |
| Retiring in 20 years |      |      |
| Males                | 25.1 | 25.0 |
| Females              | 27.3 | 27.2 |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**23. PENSION COMMITMENTS (continued)**

|  | At 31 August<br>2018<br>£000 | At 31 August<br>2017<br>£000 |
|--|------------------------------|------------------------------|
| <b>Sensitivity analysis</b>            |                              |                              |
| Discount rate +0.1%                    | 4,930                        | 4,741                        |
| Discount rate -0.1%                    | 5,161                        | 4,963                        |
| Mortality assumption - 1 year increase | 4,899                        | 4,706                        |
| Mortality assumption - 1 year decrease | 5,190                        | 4,997                        |
| CPI rate +0.1%                         | 5,116                        | 4,920                        |
| CPI rate -0.1%                         | 4,973                        | 4,783                        |

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

|                                     | Fair value at<br>31 August<br>2018<br>£000 | Fair value at<br>31 August<br>2017<br>£000 |
|-------------------------------------|--|--|
| Equities                            | 2,692                                      | 2,591                                      |
| Property                            | 284  | 210  |
| Corporate bonds                     | -  | 3  |
| Other                               | 48   | 52   |
| Cash and other liquid assets        | 664  | 420  |
| <b>Total market value of assets</b> | <b>3,688</b>                               | <b>3,276</b>                               |

The actual return on scheme assets was £186,000 (2017 - £1,134,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

|                      | 2018<br>£000 | 2017<br>£000 |
|----------------------|--------------|--------------|
| Current service cost | (391)        | (454)        |
| Interest income      | 85           | 41           |
| Interest cost        | (122)        | (105)        |
| <b>Total</b>         | <b>(428)</b> | <b>(518)</b> |

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

|   | 2018<br>£000 | 2017<br>£000 |
|---|--------------|--------------|
| Opening defined benefit obligation        | 4,851        | 5,220        |
| Current service cost                      | 391          | 454          |
| Interest cost                             | 122          | 105          |
| Employee contributions                    | 78           | 78           |
| Actuarial gains                           | (332)        | (935)        |
| Benefits paid                             | (66)         | (71)         |
| <b>Closing defined benefit obligation</b> | <b>5,044</b> | <b>4,851</b> |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (continued)**

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

|                                     | 2018<br>£000 | 2017<br>£000 |
|-------------------------------------|--------------|--------------|
| Opening fair value of scheme assets | 3,276        | 1,935        |
| Interest income                     | 85           | 41           |
| Actuarial gains                     | 101          | 1,093        |
| Employer contributions              | 214          | 200          |
| Employee contributions              | 78           | 78           |
| Benefits paid                       | (66)         | (71)         |
|                                     | <hr/>        | <hr/>        |
| Closing fair value of scheme assets | 3,688        | 3,276        |
|                                     | <hr/>        | <hr/>        |

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

|                            | 2018<br>£000 | 2017<br>£000 |
|----------------------------|--------------|--------------|
| <b>Amounts payable:</b>    |              |              |
| Within one year            | 23           | 25           |
| Between one and five years | 3            | 24           |
|                            | <hr/>        | <hr/>        |
| Total                      | 26           | 49           |
|                            | <hr/>        | <hr/>        |

**25. NET FINANCE COST ON PENSION SCHEME**

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Interest income on pension scheme assets | 85           | 41           |
| Interest on pension scheme liabilities   | (122)        | (105)        |
|  | <hr/>        | <hr/>        |
|  | (37)         | (64)         |
|  | <hr/>        | <hr/>        |

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

Diocese of Middlesbrough - an organisation in which N Mack (a trustee) is a director, K Duffy (a trustee) is Director of Schools, and J A Walton (a trustee) is financial secretary. The Diocese of Middlesbrough also owns the school buildings.

The academy trust made an annual contribution totalling £34,009 (2017: £nil) during the period. There were no amounts outstanding at 31 August 2018 (2017: £nil).

The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which representatives of the Diocese Middlesbrough neither participated in, nor influenced.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

The Endeavour Partnership LLP - an LLP in which J W Brown (a trustee) is a member.

The academy trust purchased training services totalling £420 (2017: £nil) during the period. There were no amounts outstanding at 31 August 2018 (2017: £nil).

The academy trust made the purchase at arms' length in accordance with its financial regulations, which representatives of the The Endeavour Partnership LLP neither participated in, nor influenced.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

Galileo Multi Academy Trust - an academy in which A Coulson is also a director and E J Nicholls is a member.

The academy trust made payments for teaching school support totalling £16,634 (2017: £nil) and training courses of £1,290 during the period. There were no amounts outstanding at 31 August 2018 (2017: £nil).

The academy trust made the purchase at arms' length following, which representatives of Galileo Multi Academy Trust neither participated in, nor influenced.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. RELATED PARTY TRANSACTIONS (continued)**

Income related party transactions

During the year The Diocese of Middlesbrough contributed £100,000 towards the costs incurred in respect of the growth of the Multi Academy Trust.

During the year Our Lady of the Light Catholic Academy Trust, an academy trust in which K Duffy and J Wilson are also trustees, contributed £70,000 toward the costs incurred in respect of the growth of the Multi Academy Trust.

During the year St Hilda's Catholic Academy Trust, an academy trust in which M McCullach & J A Walton are also trustees, contributed £209,083 toward the costs incurred in respect of the growth of the Multi Academy Trust.

During the year St Oswald's Catholic Academy Trust, an academy trust in which N Mack is also a trustee, contributed £2,000 toward the costs incurred in respect of the growth of the Multi Academy Trust.

**NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST (FORMERLY NICHOLAS POSTGATE ACADEMY TRUST)**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. TEACHING SCHOOL TRADING ACCOUNT**

|   | 2018<br>£000 | 2018<br>£000 | 2017<br>£000 | 2017<br>£000 |
|---|--------------|--------------|--------------|--------------|
| <b>INCOME</b>                                       |              |              |              |              |
| <b>DIRECT INCOME</b>                                |              |              |              |              |
| Start up grant                                      | 40           |              | 40           |              |
| Training & conferences                              | 12           |              | 37           |              |
| Membership fees                                     | 33           |              | 55           |              |
| School to school support                            | -            |              | 13           |              |
|   | <hr/>        |              | <hr/>        |              |
| <b>TOTAL DIRECT INCOME</b>                          | 85           |              | 145          |              |
| <b>TOTAL INCOME</b>                                 |              | 85           |              | 145          |
| <b>EXPENDITURE</b>                                  |              |              |              |              |
| <b>DIRECT EXPENDITURE</b>                           |              |              |              |              |
| Travel  | 1            |              | 2            |              |
| Training & conference costs                         | 46           |              | 35           |              |
| Performance support                                 | 7            |              | 8            |              |
| Project costs                                       | 7            |              | -            |              |
| Schools direct                                      | -            |              | 2            |              |
| Safeguarding training                               | -            |              | 3            |              |
| School to school support                            | -            |              | 12           |              |
| Direct staff costs                                  | 52           |              | 63           |              |
|   | <hr/>        |              | <hr/>        |              |
| <b>TOTAL DIRECT EXPENDITURE</b>                     | 113          |              | 125          |              |
| <b>OTHER EXPENDITURE</b>                            |              |              |              |              |
| Office costs  | 2            |              | 3            |              |
| Equipment   | -            |              | 2            |              |
|   | <hr/>        |              | <hr/>        |              |
| <b>TOTAL OTHER EXPENDITURE</b>                      | 2            |              | 5            |              |
| <b>TOTAL EXPENDITURE</b>                            |              | 115          |              | 130          |
| <b>(DEFICIT) / SURPLUS FROM ALL SOURCES</b>         |              | <hr/>        |              | <hr/>        |
|   |              | (30)         |              | 15           |
| <b>TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017</b> |              | 109          |              | 94           |
| <b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2018</b>   |              | <hr/>        |              | <hr/>        |
|   |              | 79           |              | 109          |
|   |              | <hr/>        |              | <hr/>        |