

Company Registration Number: 09660515 (England and Wales)

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

Members	The Bishop of Northampton Duns Scotus Trust St Bonaventure Trust
Trustees	Mr John Carroll, Head Teacher (resigned 12 July 2017) Mr Joseph Richardson, Head Teacher and Accounting Officer Mrs Gabrielle Somes, Head Teacher (resigned 12 July 2017) Mrs Madge Chenery, Chair of Trustees Mr Warren Edwards Mrs Helen Wells Mr Chidi Umeano (resigned 14 September 2016) Mr Andrew Morgan (appointed 1 November 2016, resigned 13 September 2017) Ms Karen Sutton (appointed 1 April 2017) Ms Catherine Davies (appointed 1 December 2016) Father T Brennan (appointed 1 December 2016)
Company registered number	09660515
Company name	St Alban Catholic Academies Trust
Principal and registered office	Cardinal Newman Catholic Secondary School Warden Hill Road Luton LU2 7AE
Trust secretary	Ms Francesca Crowther Ms Julie Warren
Chief executive officer	Mr Joseph Richardson
Senior management team	Mr Joseph Richardson, Headteacher and Accounting officer Mr John Carroll, Headteacher Mrs Gabrielle Somes, Headteacher Mrs Sue Meader, Chief finance officer
Independent auditors	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Bedford MK44 3BZ
Bankers	National Westminster Bank PLC 31 George Street Luton LU1 2YN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors	Winkworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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ST ALBAN CATHOLIC ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust operates one secondary and two primary schools with the Diocese of Northampton in the South East of England. The Trust has a combined pupil capacity of 2,785 and had a roll of 2,644 in the school census October 2017.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust along with the memorandum and articles of association.

The Trustees of St Alban Catholic Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St Alban Catholic Academies Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

The principal object of the academy is to provide education for the children of Luton and the surrounding areas.

There have been no changes in the objectives since the last annual report.

b. 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.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Trust has purchased the Risk Protection Assurance from the ESFA and additional insurance to cover any gaps relating to motor vehicle insurance, overseas travel insurance - RPA only covers travel in the UK and engineering inspection and insurance from Zurich Municipal.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Diocesan Bishop shall appoint such a number of Foundation Trustees as shall ensure that at all times the number of Foundation Trustees exceeds other Trustees (including Co-opted Trustees) by at least two. Subject to Article 50 the Trustees may appoint Trustees through such a process as they may determine including the appointment any Trustees and a Chief Executive Officer, who are employees of the Company but will ensure the total number of does not exceed one third of the total number of Trustees.

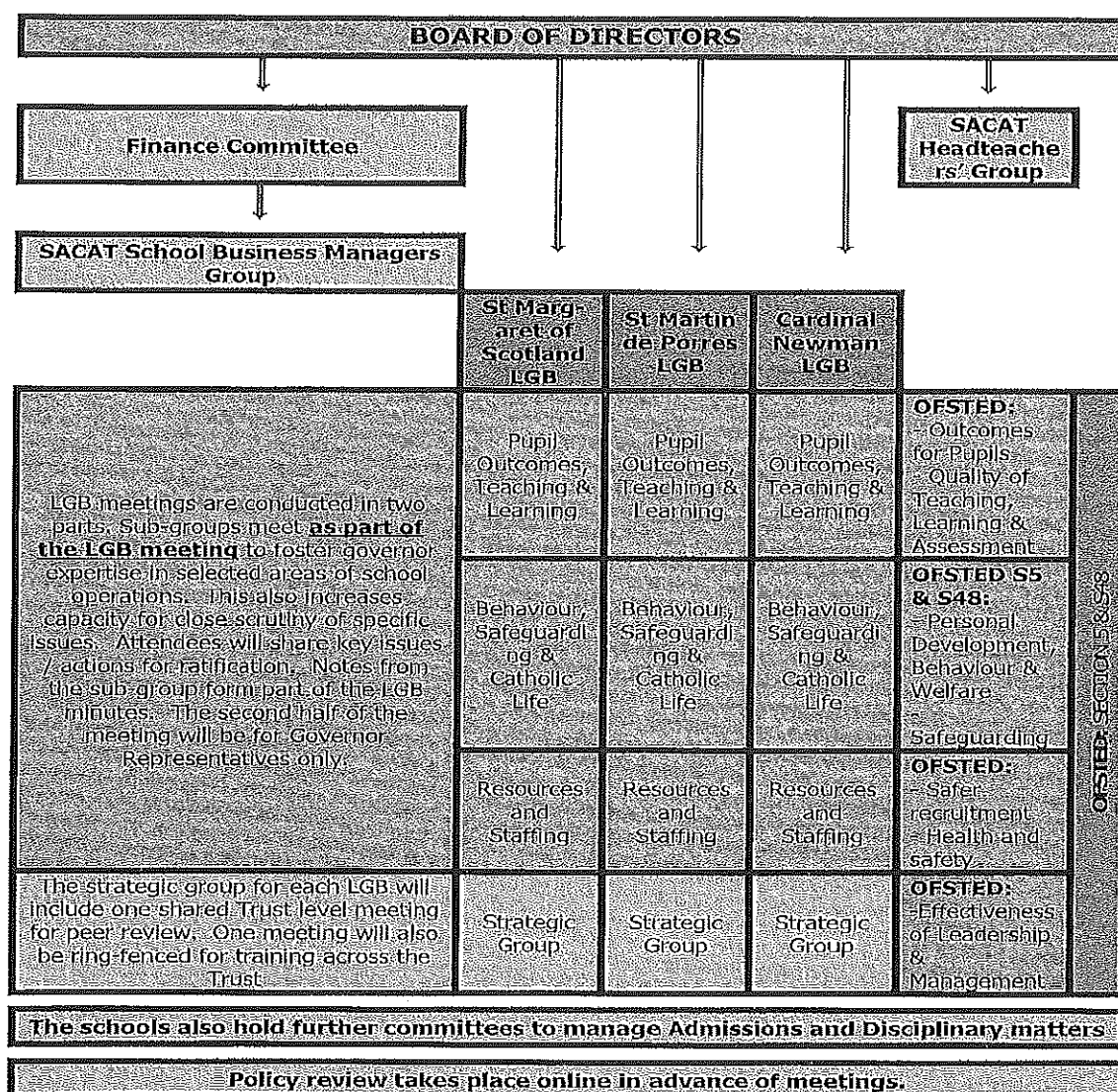
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided to new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational level financial matters. All Trustees will be given a tour of the schools within the Trust and the chance to meet staff and pupils. The Trust will ensure that any new Trustees will be provided with copies of all policies, procedures, minutes and financial statements, budgets and other documents they will need to support their role as a Trustee.

f. ORGANISATIONAL STRUCTURE



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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Roles and Responsibilities

Members	<ul style="list-style-type: none"> To appoint/remove Directors To sign off financial statements and annual report To change the Articles
Board of Directors	<ul style="list-style-type: none"> To ensure the quality of Catholic Education To ensure quality of educational standards across the curriculum To challenge and monitor performance To manage finances and property To manage the HT To exercise reasonable skill and care in carrying out their duties To ensure compliance with charity and company law To ensure operation in accordance with Funding Agreement
Finance Committee	<ul style="list-style-type: none"> To provide financial oversight including Budget Setting and monitoring
Local Governing Bodies	<ul style="list-style-type: none"> To support the vision of SACAT To provide a monitoring role for each school To have oversight of the individual schools budget To govern admissions and exclusions To monitor and be accountable for standards To act as a critical friend to the Headteacher To represent the views of the community
Accounting Officer	<ul style="list-style-type: none"> Appropriate oversight of financial transactions Regularity and propriety Prudent and economical administration Value for money through efficient, effective and economic use of available resources Preparation of the statement on governance in the annual report
Chief Finance Officer	<ul style="list-style-type: none"> To prepare the annual accounts To prepare and monitor the budget To provide technical advice To liaise with SBMs To liaise with auditors

Employment of disabled persons

The academy's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development with the academy.

Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee involvement

The academy is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The trust has appraisal policies for both Teaching and Support Staff in addition to the Pay policy. The final approval of pay awards is agreed by the board of Trustees.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

These include Duns Scotus Trust and Luton Futures. The trust has PTA's which give donations to the Schools.

Objectives and Activities

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The St Alban Catholic Academies Trust (SACAT) consists of St Margaret of Scotland Catholic Primary School, St Martin de Porres Catholic Primary School and Cardinal Newman Catholic High School in Luton, Bedfordshire. The Trust was formed in 2015 in order to formalise the work of the Partnership of Catholic Schools in Luton and Dunstable and strengthen the future of Catholic Education. We are committed to obtaining the very highest standards of achievement through excellent teaching and by focusing on the development of the whole child; spiritually, morally, socially and culturally as well as academically.

Mission statement, expectations and standards

'Working to achieve infinitely more than we can dream or imagine'

- Our Commitment to God: Our schools are entrusted to bring children closer to God, allowing each person to become more than they could ever dream or imagine: '...water seeds already planted knowing that they hold future promise' (Bishop Ken Untener).
- Our Commitment to High Standards: Our schools constantly strive for excellence in Catholic education driven by strong leadership. The constructive challenge and support of our partnership promotes schools of academic excellence where each child can achieve their very best: 'The glory of God is each person fully alive' (St Irenaeus).
- Our Commitment to Community: Our schools work closely with parents, parishes and the wider community fostering confident children who make a distinctive contribution to society: 'Let us protect with love all that God has given us.' (Pope Francis, Inauguration Homily, 2013).
- Our Commitment to Staff: Our schools value every member of staff, trusting and encouraging them to live a life of true vocation and service: 'Educating isn't a profession, but an attitude, a way of being ... you must go out of yourselves and be amidst the young ... standing beside them.' (Pope Francis, June 2013).

Our schools retain their individual character and autonomy but the structure of the Trust ensures that the commitment for high standards and excellence extends to all pupils. It also allows for shared expertise in financial management, staff training, facilities management and high quality leadership.

As a Trust we ensure that:

- There is a high quality Professional Development programme across the Trust for staff at all levels
- A first class School Improvement Team works across the schools, including the development of Local and Specialist Leaders of Education
- There is a commitment to maximising value for money through efficiency savings, joint procurement and some centralised administrative services as the Trust grows. This will help us to function efficiently in times of austerity
- There is high quality governance focused on strategic direction, development of excellence in teaching and learning, decision making and accountability
- We create exciting opportunities for pupils to network across the Trust.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

- We provide the security of working closely together in collaboration while maintaining the autonomy of voluntary Catholic academies.

b. PUBLIC BENEFIT

The Trustees confirm, that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when undertaking the review of its objectives, aims and future planned activities for the year. The Trustees are satisfied that the Trust and schools aims have been fully discharged for the public benefit.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

a. ACHIEVEMENTS AND PERFORMANCE

At the end of this academic year, we can report that:

- a. **To ensure all schools continue to improve outcomes for pupils and St Margaret of Scotland, currently RI/Grade 3 achieves a Good or better judgement in its next inspection**
- Attainment and pupil progress exceeds national averages in both Cardinal Newman and St Martin de Porres 2017.
 - Cardinal Newman School and St Martin de Porres both enjoyed successful Section 48 Inspections, graded Outstanding in every area.
 - Overall levels of attainment have improved at St Margaret of Scotland. The proportion of students achieving expected outcomes increased by 13%, but remained below national averages for attainment because of historic low levels of progress. Outcomes at Key Stage 1 show much stronger levels of progress and attainment as a result of significant improvements and indicate a long term strategy that is working. The Trust anticipates these improvements will feed through to Key Stage 2 resulting in higher levels of attainment in future years. OFSTED may determine that insufficient progress has been made at KS2 for the school to be judged as Good. The school still has a high level of staff turnover and this is impacting on the stability of teaching and learning and the capacity of leaders to embed change across a settled team of teachers.
- b. **Embed strong systems of leadership and governance**
- Centralised method of setting targets for Primary Schools established to drive out inconsistencies and weaker target setting present under Local Authority guidance.
 - Directors and governors surveyed to establish further ongoing training needs and comprehensive programme of induction and inset devised for 2017-18.
 - Centralised system of reporting developed and ready for use in 2017-18.
 - Ofsted inspector and independent consultant employed to train LGBs in use of data and ability to both support and challenge effectively.
 - Headteachers' Group established to offer peer support and challenge.
 - Rigorous Peer Review system trialled and refined for 2017-18. Report for St Margaret of Scotland influential in setting areas for improvement in 2017-18.
- c. **To realise the development of centralised services for improved efficiency and cost savings**
- Central Finance Team established with roles in place to serve schools across the Trust.
 - Shared tendering of catering successful in delivering new providers at good costs. Services across each of the schools improved with significant cost savings at Cardinal Newman.
 - Shared expertise across schools pivotal in overcoming shortages in core functions in IT and Finance over the course of the year.
 - Shared processes across the schools successful in improving HR consistency across the Trust.
 - Shared leadership functions across Trust and partnership schools successful in managing cost pressures across the Trust.
 - Consistent approach to financing of the Trust in place with 2.5% levy in place on GAG.
- d. **Facilitate the growth of the Trust, welcoming schools from the Catholic Partnership of the Luton, Dunstable and Houghton Regis**
- Due diligence procedures for St Vincent's and St Mary's complete.
 - Academy Orders in place for both schools.
 - Both schools being supported by the Trust across 2017-18, funded by the Regional Schools Commissioner Growth Fund.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Overall, progress towards embedding practices across a strong and effective Trust has been extremely good. Much has been achieved, with formal structures needed to support our schools and promote excellence in Catholic education in place and having an impact. For the next academic year, the focus is much more overtly on support for improving pupil outcomes through heightened challenge to individual schools and a clear focus on developing curriculum quality across Reading, Writing and Maths in the Primary phase. In Secondary, the Trust is supporting Cardinal Newman School in driving standards at Sixth Form through membership of PIXL6 as well as supporting work to develop a quality response to mental health needs of students.

b. KEY PERFORMANCE INDICATORS

The main objectives of the Trust during 2016 - 2017 were to:

- a. To ensure all schools continue to improve outcomes for pupils and St Margaret of Scotland, currently RI/Grade 3 achieves a Good or better judgement in its next inspection.
- b. Embed strong systems of leadership and governance.
- c. To realise the development of centralised services for improved efficiency and cost savings.
- d. Facilitate the growth of the Trust, welcoming schools from the Catholic Partnership of the Luton, Dunstable and Houghton Regis.

c. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial review

a. FINANCIAL REVIEW

Most of the Trust's income is obtained from the ESFA, the use of which is restricted to particular purposes. Any grants or other sources of income are shown in the Statement of Financial Activities.

During the year ended 31 August 2017, the total expenditure of £14,393,375 was in excess of the total income of £13,890,232 resulting in next expenditure of £503,143. The LGPS actuarial gain of £708,000 has resulted in a net movement of in funds of £204,857.

b. RESERVES POLICY

The ESFA expect all Multi Academy Trusts to create reserves from their funding. During the early years of operation the Trustees acknowledge it will be difficult to achieve a substantial surplus.

The Trustees of the St Alban Catholic Academies Trust have given careful consideration to the level of reserves held by the Trust. The Trust seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the ESFA and other sources.

Therefore the aim of the policy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of the resources does not exceed the level permitted by the ESFA.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

- The Trustees expect the Trust/Schools to hold contingency reserves from their annual GAG funding or other income.
- The Trustees require a revenue reserve to be created to fund future expenditure related to the Trusts/Schools strategic long-term aims and developments as identified within its Improvement Plan.
- The schools should work towards a level of reserves in their account equivalent of two months of expenditure.
- The CFO/SBM should propose a capital reserve schedule to the Trust identifying the need to replace assets and the related sums required.
- The Trust should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Trust as part of the budget process.

This policy will be reviewed annually.

The total unrestricted and restricted reserves as at 31 August 2017 were (£3,604,856), which includes the LGPS deficit of (£4,934,000). The free reserves, being the total restricted income and unrestricted income was £809,576. Total reserves that can only be realised through the disposal of fixed assets are £219,636.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust and school are committed to managing the risks identified through the Trusts Risk Register. These identified key risk areas are as follows:

- Changes in pupil numbers which would impact on GAG (General Academy Grant) income which would impact on a school financial viability.
- Appointment of future Senior Leaders within Catholic Education.
- Uncertainty regarding future government funding streams.
- The Trust obligation to fund any deficit allocated to its share of the Local Government Pension Fund.
- The recruitment of good to outstanding teachers.

Plans for future periods

a. FUTURE DEVELOPMENTS

Growth Strategy for SACAT

The strategy for growth of the Trust is based on a desire to build on the strengths of collaborative working in the current St Alban Catholic Partnership of schools and a commitment to providing high quality Catholic education from 3 to 19 years.

This invitation to join SACAT applies to schools within the Catholic Diocese of Northampton and currently extends to other schools of Luton, Dunstable and Houghton Regis. The remaining schools, St Joseph's and Sacred Heart are aware of this invitation and will respond at a time that is right for their schools.

As a Catholic Trust our first concern is children with greatest need. The Trust is in the early stages of dialogue with the Local Authority as we seek to support children with specific learning needs across Luton. This may result in the development of a stand-alone provision for students with specific learning needs.

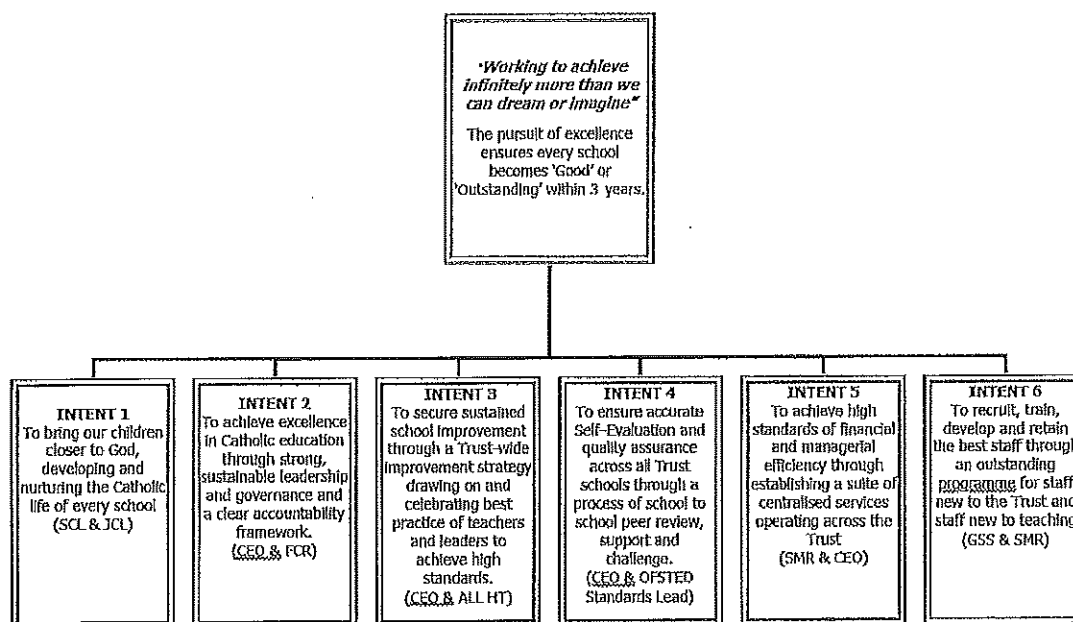
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Actions for 2017-18

- To further develop and nurture the Catholic life of every school.
- To implement the school improvement strategy for schools not yet good, including School Improvement Boards and Trust Improvement Groups to tackle those areas of greatest need.
- To ensure there is a supply of high quality Leadership available at all levels through excellent CPD and clear succession planning.
- To continue to develop the centralised Financial services across the Trust & ensure that Board Risk is managed well, including the development of centralised IT and Facilities services and ensuring appropriate capacity across Finance functions of the Trust.
- To grow the Trust by adding Catholic Partnership schools following Academy Orders.

Strategic intents for next 5 years:



DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 6

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

December 2017 and signed on its behalf by:



Mrs Madge Chenery
Chair of Trustees



Mr Joseph Richardson
Accounting Officer

ST ALBAN CATHOLIC ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Alban Catholic Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Carroll, Head Teacher	4	4
Mr Joseph Richardson, Head Teacher and Accounting Officer	4	4
Mrs Gabrielle Somes, Head Teacher	4	4
Mrs Madge Chenery, Chair of Trustees	4	4
Mr Warren Edwards	2	4
Mrs Helen Wells	3	4
Mr Chidi Umeano	0	0
Mr Andrew Morgan	3	3
Ms Karen Sutton	2	2
Ms Catherine Davies	3	3
Father T Brennan	0	0

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, comply with the reporting and regularity requirements, receive reports from the internal and external auditors and to prepare the draft budget for the approval by the full board of trustees.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Carroll, Head Teacher	5	5
Mr Joseph Richardson, Head Teacher	4	5
Mrs Gabrielle Somes, Head Teacher	4	5
Mrs Madge Chenery	5	5

Trustees reviews:

Individual trustees regularly visit the schools and report back to the full board of trustees, at which discussions are had regarding the objectives and target and whether these are being met and why's to achieve them if they are not and setting new targets if necessary any risks are also discussed.

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

The accounting officer has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Regularly reviewing the functions of the academy, challenging how and why services are provided and setting targets and performance indicators for improvements
- monitoring outcomes and comparing performance with similar schools / academies and within the academy
- consulting appropriate stakeholders before major decisions are made
- promoting fair competition through quotations and tenders to ensure that goods and services are secured to a high standard and quality and in the most economic, efficient and effective way.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 St Alban Catholic Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance 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.

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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Beverley Dorsett as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

The examiner found no material control issues and only made minor recommendations to improve practice.

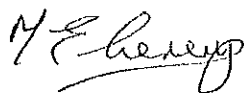
REVIEW OF EFFECTIVENESS

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

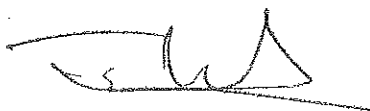
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee 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 trustees on 6 December 2017 and signed on their behalf, by:



Mrs Madge Chenery
Chair of Trustees



Mr Joseph Richardson, Head Teacher
Accounting Officer

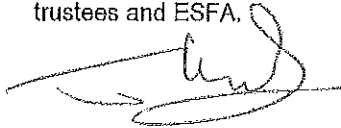
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr Joseph Richardson
Accounting Officer

Date: 06/12/2017

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

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

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

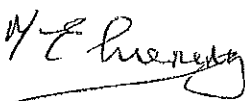
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2017 and signed on its behalf by:


Mrs Madge Chenery
Chair of Trustees

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
ALBAN CATHOLIC ACADEMIES TRUST**

OPINION

We have audited the financial statements of St Alban Catholic Academies Trust for the period ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
ALBAN CATHOLIC ACADEMIES TRUST**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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 Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy 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 Trustees 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 Trustees are responsible for assessing the academy'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 Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

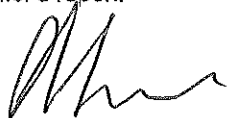
ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
ALBAN CATHOLIC ACADEMIES TRUST**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Robert Anderson (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Bedford
MK44 3BZ
Date: 13/12/17

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST ALBAN
CATHOLIC ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Alban Catholic Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Alban Catholic Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Alban Catholic Academies 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 St Alban Catholic Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST ALBAN CATHOLIC ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of St Alban Catholic Academies Trust's funding agreement with the Secretary of State for Education dated 28 August 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST ALBAN
CATHOLIC ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.

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 period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Bedford
MK44 3BZ

Date: 13/12/17

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

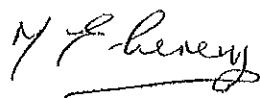
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Local Authority on Conversion	2	-	-	-	-	(2,597,622)
Other donations and capital grants	2	145,180	-	292,856	438,036	422,346
Charitable activities	3	279,880	13,147,571	-	13,427,451	13,342,378
Other trading activities	4	24,745	-	-	24,745	18,318
TOTAL INCOME		449,805	13,147,571	292,856	13,890,232	11,185,420
EXPENDITURE ON:						
Charitable activities	6	279,880	13,734,628	378,867	14,393,375	13,376,133
TOTAL EXPENDITURE	6	279,880	13,734,628	378,867	14,393,375	13,376,133
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	169,925 (380,875)	(587,057) 339,508	(86,011) 41,367	(503,143) -	(2,190,713) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(210,950)	(247,549)	(44,644)	(503,143)	(2,190,713)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	708,000	-	708,000	(1,619,000)
NET MOVEMENT IN FUNDS		(210,950)	460,451	(44,644)	204,857	(3,809,713)
RECONCILIATION OF FUNDS:						
Total funds brought forward	16	647,063	(5,020,988)	564,212	(3,809,713)	-
TOTAL FUNDS CARRIED FORWARD		436,113	(4,560,537)	519,568	(3,604,856)	(3,809,713)

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09660515

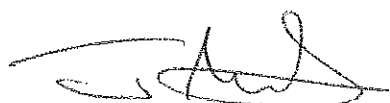
BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		219,636		248,631
CURRENT ASSETS					
Debtors	14	293,859		409,445	
Cash at bank and in hand		1,357,756		1,312,792	
		<u>1,651,615</u>		<u>1,722,237</u>	
CREDITORS: amounts falling due within one year	15	<u>(542,107)</u>		<u>(625,581)</u>	
NET CURRENT ASSETS			<u>1,109,508</u>		<u>1,096,656</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,329,144</u>		<u>1,345,287</u>
Defined benefit pension scheme liability	20		<u>(4,934,000)</u>		<u>(5,155,000)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u><u>(3,604,856)</u></u>		<u><u>(3,809,713)</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	373,463		134,012	
Restricted fixed asset funds	16	519,568		564,212	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		893,031		698,224	
Pension reserve	16	<u>(4,934,000)</u>		<u>(5,155,000)</u>	
Total restricted income funds			<u>(4,040,969)</u>		<u>(4,456,776)</u>
Unrestricted income funds	16		<u>436,113</u>		<u>647,063</u>
TOTAL DEFICIT			<u><u>(3,604,856)</u></u>		<u><u>(3,809,713)</u></u>

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



Mrs Madge Chenery
Chair of Trustees



Mr Joseph Richardson Head teacher
Accounting Officer

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	31 August 2017 £	31 August 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	57,613	846,711
Cash flows from investing activities:			
Purchase of tangible fixed assets		(12,649)	(107,014)
Cash transferred on conversion to an academy asset		-	573,095
Net cash (used in)/provided by investing activities		(12,649)	466,081
Change in cash and cash equivalents in the period		44,964	1,312,792
Cash and cash equivalents brought forward		1,312,792	-
Cash and cash equivalents carried forward	19	1,357,756	1,312,792

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

St Alban Catholic Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees 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

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the academy is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the academy has been notified of the executor's intention to make a distribution. Where legacies have been notified to the academy, or the academy is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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.

The buildings are owned by the Northampton Roman Catholic Diocese Trust and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy Trust and consequently the value of these assets have not been recognised in these financial statements.

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

Motor vehicles	-	5 years straight line
Fixtures and fittings	-	10 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.

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 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 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.

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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.

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Taxation

The academy 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 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.

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 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 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 20, 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.

1.12 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

ST ALBAN CATHOLIC ACADEMIES TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on Conversion	-	-	-	-	(2,597,622)
Other donations and capital grants	145,180	-	292,856	438,036	422,346
	145,180	-	292,856	438,036	(2,175,276)
Total 2016	624,973	(3,323,256)	523,007	(2,175,276)	

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NOTES TO THE FINANCIAL STATEMENTS
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3. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES BY TYPE OF INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
General Annual Grant (GAG)	-	11,648,170	11,648,170	11,990,389
Other DfE / ESFA grants	-	850,534	850,534	763,643
Local authority grants	-	442,560	442,560	371,294
Other income from the academy trust's educational operations	279,880	206,307	486,187	217,052
	<u>279,880</u>	<u>13,147,571</u>	<u>13,427,451</u>	<u>13,342,378</u>
<i>Total 2016</i>	<u>86,290</u>	<u>13,256,088</u>	<u>13,342,378</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	23,007	-	23,007	18,318
Other income	1,738	-	1,738	-
	<u>24,745</u>	<u>-</u>	<u>24,745</u>	<u>18,318</u>
<i>Total 2016</i>	<u>18,318</u>	<u>-</u>	<u>18,318</u>	

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5. CHARITABLE ACTIVITIES

	2017 £	2016 £
DIRECT COSTS		
Wages and salaries	5,212,515	5,173,081
National insurance	558,722	478,968
Pension cost	843,276	833,700
Technology costs	172,976	143,580
Educational supplies	733,603	696,813
Examination fees	125,234	133,073
Staff development costs	42,885	77,214
Educational consultancy	133,407	149,424
Other direct costs	20,066	38,720
Agency staff	252,333	162,640
	<u>8,095,017</u>	<u>7,887,213</u>
SUPPORT COSTS		
Wages and salaries	3,119,032	3,270,951
National insurance	238,207	180,492
Pension costs	1,064,416	773,386
Agency costs	15,743	15,878
Depreciation	41,644	17,666
Technology costs	83,180	41,767
Educational supplies	1,967	"
Staff development	2,691	4,708
Recruitment and support	57,043	60,260
Maintenance of premises and equipment	257,850	267,644
Cleaning	36,280	32,079
Rent and rates	72,440	41,087
Energy costs	142,855	156,408
Insurance	56,690	63,449
Transport	17,385	23,944
Catering	534,002	261,749
Bank interest and charges	4,478	2,223
Other support costs	192,713	110,750
Governance costs	22,519	137,060
CIF funding expenditure	337,223	27,419
	<u>6,298,358</u>	<u>5,488,920</u>
	<u><u>14,393,375</u></u>	<u><u>13,376,133</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Cardinal Newman Catholic:					
Direct costs	4,855,261	-	820,338	5,675,599	5,470,797
Support costs	2,165,354	141,626	1,105,468	3,412,448	2,660,452
St Margaret of Scotland:					
Direct costs	1,066,713	-	268,965	1,335,678	1,358,488
Support costs	1,267,204	55,284	301,362	1,623,850	1,580,186
St Martin De Porres:					
Direct costs	944,872	-	138,868	1,083,740	1,057,928
Support costs	792,946	60,940	220,913	1,074,799	1,070,254
Centralised Costs: Support costs	86,151	-	101,110	187,261	178,028
	<u>11,178,501</u>	<u>257,850</u>	<u>2,957,024</u>	<u>14,393,375</u>	<u>13,376,133</u>
Total 2016	<u>10,762,096</u>	<u>497,011</u>	<u>2,117,026</u>	<u>13,376,133</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Cardinal Newman Catholic School	5,675,599	3,412,448	9,088,047	8,131,249
St Margaret of Scotland Catholic Primary School	1,335,678	1,623,850	2,959,528	2,938,674
St Martin De Porres Catholic Primary School	1,083,740	1,074,799	2,158,539	2,128,182
Centralised Costs	-	187,261	187,261	178,028
Total 2017	<u>8,095,017</u>	<u>6,298,358</u>	<u>14,393,375</u>	<u>13,376,133</u>
Total 2016	<u>7,887,213</u>	<u>5,488,920</u>	<u>13,376,133</u>	

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8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	31 August 2017 £	31 August 2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	41,644	17,666
Auditors' remuneration - audit	15,000	15,000
Auditors' remuneration - other services	4,200	4,200
Operating lease rentals	22,521	22,521

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	31 August 2017 £	31 August 2016 £
Wages and salaries	8,320,047	8,413,146
Social security costs	796,929	659,460
Operating costs of defined benefit pension schemes	1,797,692	1,480,086
	<u>10,914,668</u>	<u>10,552,692</u>
Supply teacher costs	252,333	178,518
Staff restructuring costs - statutory redundancy	11,500	30,886
	<u>11,178,501</u>	<u>10,762,096</u>

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

	31 August 2017 No.	31 August 2016 No.
Management	17	17
Teachers	133	133
Administration and Support Staff	232	240
	<u>382</u>	<u>390</u>

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

	31 August 2017 No.	31 August 2016 No.
In the band £60,001 - £70,000	7	6
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The total pension costs for the employees in the analysis above was £132,862.

The key management personnel of the trust comprise the senior management team on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for the services to the trust was £377,844 (2016 £364,176).

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NOTES TO THE FINANCIAL STATEMENTS
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10. CENTRAL SERVICES

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

- Management and administration
- Legal services
- Audit and accountancy services
- Educational leadership and inspection consultancy

The academy charges for these services on the following basis:

ESG element of the General Annual Grant income for each school.

The actual amounts charged during the year were as follows:

	31 August 2017 £	31 August 2016 £
Cardinal Newman School	113,860	129,543
St Margarets of Scotland Primary School	43,197	48,894
St Martin De Porres Primary School	18,868	37,845
Total	<u>175,925</u>	<u>216,282</u>

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

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

		31 August 2017 £	31 August 2016 £
Mr John Carroll, Head Teacher	Remuneration	80,000-85,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr Joseph Richardson, Head Teacher	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Mrs Gabrielle Somes, Head Teacher	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the period, no Trustees received any benefits in kind (2016 - £NIL).

During the period ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

13. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 September 2016	-	266,297	266,297
Additions	6,300	6,349	12,649
At 31 August 2017	6,300	272,646	278,946
Depreciation			
At 1 September 2016	-	17,666	17,666
Charge for the period	1,050	40,594	41,644
At 31 August 2017	1,050	58,260	59,310
Net book value			
At 31 August 2017	5,250	214,386	219,636
At 31 August 2016	-	248,631	248,631

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

14. DEBTORS

	2017 £	2016 £
Trade debtors	2,594	96,839
Other debtors	69,045	44,091
Prepayments and accrued income	222,220	268,515
	<u>293,859</u>	<u>409,445</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	315,010	149,104
Other creditors	2,199	-
Accruals and deferred income	224,898	476,477
	<u>542,107</u>	<u>625,581</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	211,866	-
Resources deferred during the year	142,681	211,866
Amounts released from previous years	(211,866)	-
Deferred income at 31 August 2017	<u>142,681</u>	<u>211,866</u>

Deferred income carried forward is trip income, UIFSM, rent and rates received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Trip Income	-	279,880	(279,880)	-	-	-
General funds						
General Funds	73,968	169,925	-	-	-	243,893
LA funds on conversion	573,095	-	-	(380,875)	-	192,220
	<u>647,063</u>	<u>169,925</u>	<u>-</u>	<u>(380,875)</u>	<u>-</u>	<u>436,113</u>
Total Unrestricted funds	<u>647,063</u>	<u>449,805</u>	<u>(279,880)</u>	<u>(380,875)</u>	<u>-</u>	<u>436,113</u>
Restricted funds						
General Annual Grant (GAG)	106,281	11,854,477	(11,978,496)	339,508	-	321,770
Pupil premium	-	559,918	(559,918)	-	-	-
Other ESFA Income	-	240,616	(240,616)	-	-	-
Primary Chain Grant	26,038	-	(26,038)	-	-	-
LA Funding	-	442,560	(442,560)	-	-	-
School Build Fund	1,693	-	-	-	-	1,693
Other income	-	50,000	-	-	-	50,000
Pension reserve	(5,155,000)	-	(487,000)	-	708,000	(4,934,000)
	<u>(5,020,988)</u>	<u>13,147,571</u>	<u>(13,734,628)</u>	<u>339,508</u>	<u>708,000</u>	<u>(4,560,537)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	248,631	-	(41,644)	12,649	-	219,636
DFC	-	78,792	-	20,724	-	99,516
CIF Funding	315,581	214,064	(337,223)	7,994	-	200,416
	<u>564,212</u>	<u>292,856</u>	<u>(378,867)</u>	<u>41,367</u>	<u>-</u>	<u>519,568</u>
Total restricted funds	<u>(4,456,776)</u>	<u>13,440,427</u>	<u>(14,113,495)</u>	<u>380,875</u>	<u>708,000</u>	<u>(4,040,969)</u>
Total of funds	<u>(3,809,713)</u>	<u>13,890,232</u>	<u>(14,393,375)</u>	<u>-</u>	<u>708,000</u>	<u>(3,604,856)</u>

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

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 29 June 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Designated funds						
Trip Income	-	82,518	(82,518)	-	-	-
	-	82,518	(82,518)	-	-	-
General funds						
General Funds	-	22,090	-	-	-	22,090
LA funds on conversion	-	573,095	-	-	-	573,095
Donations	-	51,878	-	-	-	51,878
	-	647,063	-	-	-	647,063
Total Unrestricted funds	-	729,581	(82,518)	-	-	647,063
Restricted funds						
General Annual Grant (GAG)	-	11,990,389	(11,797,818)	(86,290)	-	106,281
Pupil premium	-	543,362	(543,362)	-	-	-
Other ESFA Income	-	120,281	(120,281)	-	-	-
Primary Chain Grant	-	100,000	(73,962)	-	-	26,038
LA Funding	-	371,294	(371,294)	-	-	-
School Build Fund	-	1,744	(51)	-	-	1,693
Donation	-	5,000	(5,000)	-	-	-
Other income	-	130,762	(130,762)	-	-	-
Pension reserve	-	(3,330,000)	(206,000)	-	(1,619,000)	(5,155,000)
	-	9,932,832	(13,248,530)	(86,290)	(1,619,000)	(5,020,988)

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

Restricted fixed asset funds

Restricted Fixed Asset Funds	-	159,283	(17,666)	107,014	-	248,631
DFC	-	20,724	-	(20,724)	-	-
CIF Funding	-	343,000	(27,419)	-	-	315,581
	-	523,007	(45,085)	86,290	-	564,212
Total restricted funds	-	10,455,839	(13,293,615)	-	(1,619,000)	(4,456,776)
Total of funds	-	11,185,420	(13,376,133)	-	(1,619,000)	(3,809,713)

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

General Funds:

The Academy's general fund represents assets transferred on conversion and income and expenditure relating to activities undertaken by the Academy as part of its charitable Activities. The Academy can then use these funds for any purpose.

Designated Funds:

The trusts designated funds includes income and expenditure relating to school trips.

Restricted Funds:

The Acadmies receive a number of grants during the year for the purpose of providing educational services to the pupils. These funds include grants from the ESFA for the General Annual Grant (GAG) and the local Authority for Early Years funding, Primary chain grant, Expansion and SEN top up. These grants can be used for staff costs, educational resources and general costs incurred in the running of the academy.

Pension Reserve - As stated in note 19 the trust is a participating employer in two defined benefit pension schemes. A separate reserve has been included to show the impact of the changes in valuation of the LGPS pension scheme.

Restricted Fixed Asset Funds:

The Academies receive Developed formual capital funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a sperate fund within the Restricted Fixed Asset Reserve.

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

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Cardinal Newman School	354,376	341,278
St Margarets of Scotland Primary School	86,887	171,533
St Martin De Porres Primary School	173,890	130,010
Centralised costs	194,423	138,254
Total before fixed asset fund and pension reserve	809,576	781,075
Restricted fixed asset fund	519,568	564,212
Pension reserve	(4,934,000)	(5,155,000)
Total	(3,604,856)	(3,809,713)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Cardinal Newman School	4,654,822	2,165,354	808,763	1,418,313	9,047,252	8,173,568
St Margarets of Scotland Primary School	1,066,713	1,267,204	248,596	376,166	2,958,679	2,912,689
St Martin De Porres Primary School	892,978	792,946	127,927	344,688	2,158,539	2,094,182
Centralised costs	-	86,151	-	101,110	187,261	178,028
	6,614,513	4,311,655	1,185,286	2,240,277	14,351,731	13,358,467

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NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	(99,516)	-	319,152	219,636
Current assets	935,055	516,144	200,416	1,651,615
Creditors due within one year	(399,426)	(142,681)	-	(542,107)
Provisions for liabilities and charges	-	(4,934,000)	-	(4,934,000)
	<u>436,113</u>	<u>(4,560,537)</u>	<u>519,568</u>	<u>(3,604,856)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	248,631	248,631
Current assets	647,063	759,593	315,581	1,722,237
Creditors due within one year	-	(625,581)	-	(625,581)
Provisions for liabilities and charges	-	(5,155,000)	-	(5,155,000)
	<u>647,063</u>	<u>(5,020,988)</u>	<u>564,212</u>	<u>(3,809,713)</u>

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

	31 August 2017 £	31 August 2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(503,143)	(2,190,713)
Adjustment for:		
Depreciation charges	41,644	17,666
Cash on conversion	-	(159,283)
Profit on the sale of fixed assets	-	(573,095)
Decrease/(increase) in debtors	115,586	(409,445)
(Decrease)/increase in creditors	(83,474)	625,581
Net cost of defined benefit pension scheme	487,000	206,000
Net gain on assets and liabilities from local authority on conversion	-	3,330,000
Net cash provided by operating activities	<u>57,613</u>	<u>846,711</u>

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 August 2017 £	31 August 2016 £
Cash in hand	1,357,756	1,312,792
Total	<u>1,357,756</u>	<u>1,312,792</u>

20. PENSION COMMITMENTS

The academy'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 Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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20. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £843,275 (2016 - £806,617).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £637,000 (2016 - £635,000), of which employer's contributions totalled £577,000 (2016 - £482,000) and employees' contributions totalled £150,000 (2016 - £153,000). The agreed contribution rates for future years are 22.6% for employers and various % for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.4	22.4
Females	24.5	24.3
Retiring in 20 years		
Males	24	24.4
Females	26.2	26.8

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

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate -0.5%	1,013,000	909,000
Salary increase rate + 0.5%	192,000	341,000
Pension increase rate + 0.5%	803,000	541,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,249,000	962,000
Bonds	328,000	125,000
Property	197,000	125,000
Cash and other liquid assets	416,000	38,000
Total market value of assets	<u>2,190,000</u>	<u>1,250,000</u>

The actual return on scheme assets was £242,000 (2016 - £131,000).

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

	31 August 2017 £	31 August 2016 £
Current service cost	(954,000)	(557,000)
Past service cost	-	(4,000)
Interest income	32,000	29,000
Interest cost	(142,000)	(156,000)
Employer contributions	577,000	482,000
Total	<u>(487,000)</u>	<u>(206,000)</u>
Actual return on scheme assets	<u>242,000</u>	<u>131,000</u>

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20. PENSION COMMITMENTS (continued)

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

	31 August 2017 £	31 August 2016 £
Opening defined benefit obligation	5,155,000	-
Upon conversion	-	3,330,000
Current service cost	954,000	557,000
Interest cost	142,000	156,000
Actuarial (gains)/losses	(498,000)	1,619,000
Past service costs	-	4,000
Return on assets (excluding net interest cost)	(210,000)	-
Employer contributions	(577,000)	(482,000)
Interest received	(32,000)	(29,000)
Closing defined benefit obligation	<u>4,934,000</u>	<u>5,155,000</u>

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

	31 August 2017 £	31 August 2016 £
Opening fair value of scheme assets	1,250,000	-
Upon conversion	-	481,000
Interest income	32,000	29,000
Actuarial losses	210,000	-
Employer contributions	577,000	482,000
Benefits paid	(29,000)	-
Return on assets	-	105,000
Employee contributions	150,000	153,000
Closing fair value of scheme assets	<u>2,190,000</u>	<u>1,250,000</u>

21. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	11,526	11,526
Between 1 and 5 years	13,439	13,439
Total	<u>24,965</u>	<u>24,965</u>

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22. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place during the period:

The daughter of Mrs S Meader (Chief Finance Officer and School Business Manager and part of the Finance Committee) is currently employed by the Trust. The original appointment was made following the Trust's staff recruitment policy and the value of remuneration fell within the band £25,000 - £30,000.

Another daughter of Mrs S Meader (Chief Finance Officer and School Business Manager and part of the Finance Committee) is currently employed by the Trust. The original appointment was made following the Trust's staff recruitment policy and the value of remuneration fell within the band £25,000 - £30,000.

The daughter of Mrs F Silcock (School Business Manager and part time finance committee) is employed by the Trust. The appointment was made following the Trust's staff recruitment policy. The value of the remuneration fell within the band £10,000 - £15,000.

The mother of Mrs F Fayne (Finance Assistant and part of the finance committee) is employed by the Trust. The appointment was made following the Trust's staff recruitment policy. The value of the remuneration fell within the band £10,000 - £15,000.

Friends of St Martins is St Martins Parent Teacher Association from which the academy received £10,000 donation during the year.

The head teachers received reimbursement of travel expenses of £108 (2016 £1,222) as part of travelling for the academy in their capacity as head teacher. This has been dealt with in line with reimbursement of expenses of other school members.

