

Company registration number 08307881 (England and Wales)

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

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THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Bishop M Davies
Very Reverend Cannon D Roberts
Very Reverend Canon P Moor
Mr D Cunningham
Mrs C Lawrence

Trustees

Mr J Kalnins (Chair)
Mrs R Stuart-Buttle (Vice Chair)
Mr D Caldwell (resigned 31/03/2022)
Mrs M Goldspink (resigned 31/03/2022)
Mrs N Hutchings
Mr P Collins
Mrs A M Connor
Mrs N Armstrong-Boyle (resigned 31/03/2022)
Mr T Beesley (resigned 31/03/2022)
Mrs T M Cooke (resigned 31/03/2022)
Mr G Merrick (Resigned 31/03/2022)
Mr S Miller (resigned 31/03/2022)
Mr S Robinson (resigned 31/03/2022)
Mrs C Watson (resigned 31/03/2022)
Mrs J Hardy (appointed 14/7/2022)

The membership of the Trustees was reconfigured this year. The headteachers of the schools are no longer on the Board, but remain on the Senior Leadership Team.

Senior Leadership Team

Principal of All Hallows Catholic College
Head of St Alban's Catholic Primary School
Head of Saint Mary's Catholic Primary School
Head of St Paul's Catholic Primary School
Head of Christ the King Primary School
Chief Financial Officer

Mr T Beesley
Mrs T M Cooke
Mr G Merrick
Mrs N Armstrong-Boyle
Mrs C Gurden
Mrs S Atherton (resigned 31/3/2022)
Mrs E Foulkes (appointed 1/4/2022)

CEO & Accounting officer

Mrs A M Connor (resigned 31/8/2022)
Mr M Mountcastle (appointed 1/9/2022)

Company secretary

Mrs P Metherringham (resigned 31/8/2022)
Mrs B Sidebotham (appointed 1/9/2022)

Registered address

Brooklands Avenue, Macclesfield, Cheshire, SK11 8LB

Company registration number

08307881

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, Cheshire, WA14 2UT

Bankers

Lloyds Bank PLC, 60/62 Merseyway Shopping Centre, Great Underbank, Stockport, SK1 1PL

Solicitors

Thompsons Solicitors, Grove House, 55 Lowlands Road, Harrow, Middlesex, HA1 3AP

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Holy Family of Nazareth Catholic Academy Trust (the academy - HFNCAT) for the year ended 31 August 2022. The Trustees confirm that the Annual Report and Financial Statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Trust operates one secondary and four primary academies in Cheshire East, with the fourth primary school Christ the King, joining the Trust on 1 April 2022. Its academies have a pupil capacity of 2340 including sixth form and a current roll of 1949.

Mission Statement

To provide an inspirational, outstanding Catholic education for all the children and young people in our schools. Our ethos is driven by Gospel values, which are lived each day, as we strive for excellence in all areas of our work and cherish every person in our care.

We are committed to the principle of working together for the Common Good for the future of our Catholic Schools. We provide an education for the whole person where our children are nurtured in character, wisdom and values, so that they 'can aspire not to have more but to be more' (Saint Oscar Romero) and so make a positive difference in their communities and in God's world.

Vision

We have a vision for Catholic education that goes beyond our individual schools and changes our perceptions from 'my' school, to 'our' schools. The Trust allows us to strengthen the work we all do together in providing a world class Catholic education for all the families within our localities and parishes. We work together to provide the best for our young people in all our schools throughout their education. The bonds formed between our schools enable a seamless faith learning journey of excellence in Christian education from the early years, through the key stages right the way through to the age of 18. The challenge for us all is how we can share our gifts and talents to ensure that education for all our children is outstandingly holistic as we seek to nurture and challenge our young people to become the best persons that God has created them to be. Part of our vision includes welcoming diocesan schools that are on their own improvement journey into our Trust. In response to a request from the Shrewsbury Diocese and Department for Education, HFNCAT made a successful application to become an academy sponsor to welcome from September 2021, any diocesan school with an academy order into HFNCAT following a process of due diligence. As a result of this policy Christ the King Primary School joined the Trust on April 1st 2022.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity.

The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees for the charitable activities of HFNCAT are also the directors of the Charitable Company for the purposes of company law and the Governors of the academies.

The schools within the Trust are as follows:

All Hallows Catholic College, Macclesfield St Alban's Catholic Primary School, Macclesfield Saint Mary's Catholic Primary School, Congleton, St Paul's Catholic Primary School, Poynton and Christ the King Catholic and Church of England Primary School.

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

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trust has the following organisational structure:

Level 1: Board of the Multi Academy Trust (Directors)
Level 2: CEO
Level 3: Local Governing Bodies (LGBs)
Level 4: Principal/Head

The Charitable Company's Memorandum and Articles of Association (in conjunction with The Schemes of Delegation) are the primary governing documents of the Multi-Academy Trust.

The Board of Directors are responsible for and oversee the management and administration of the Company and Academies run by the Company. The Board of Directors is the ultimate decision-making authority and has overall responsibility for setting strategy and setting the Company's policy.

In order to discharge its responsibilities and to ensure the good governance of each Academy within the Trust, the Board of Directors currently delegates functions, other than those defined as 'reserved functions', to each Local Governing Body (LGB). The LGBs have devolved responsibility for the day to day management of the Academies to the Principal, in the case of AHCC, or the Heads of the primary schools, supported by their Senior Leadership Teams (SLT).

The Principal / the Heads have a key leadership role overseeing educational, pastoral and administrative functions in consultation with senior staff. The day to day administration is undertaken within the policies and procedures laid down by the LGBs and the SLTs report back to the LGBs on performance. The Heads and SLTs are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to Faculty and Departmental Leaders or other key personnel. In turn, the LGBs reports to the Academy Trust on the exercise of its responsibilities.

The Chief Executive Officer is the Accounting Officer. The principal activity of the Academy Trust is the provision of education.

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.

Trustees' indemnities

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 trust 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.

Method of recruitment and appointment or election of Trustees

All members of the Academy Trust are appointed and/or elected in accordance with the Articles of Association of HFNCAT. In summary:

- Up to 1 Director appointed by the Members save that no more than one third of the total number of individuals appointed as Directors shall be employees of the Academy Trust.
- Foundation Directors, are appointed by the Diocesan Bishop provided that the number of Foundation Directors and Academy Directors together shall always be 2 more than the total number of other Directors (including co-opted directors).
- The Chief Executive Officer for as long as he or she remains in office.
- 3 co-opted Directors provided that if any such Directors are appointed the number of Foundation Directors permitted shall increase proportionately to ensure that a majority of Directors are Foundation Directors.
- The Secretary of State may appoint Additional Directors as they thinks fit.
- The term of office for all Directors, with the exception of the Chief Executive Officer is 4 years. Any Director may be re-appointed or re-elected. During the year under review the Multi Academy Trust held 7 meetings (4 Board, 3 FRC and the SEC meeting was incorporated into a Board meeting) and the LGBs had a total of 24 meetings.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of governors

Training is provided for new governors according to their existing skills and experience and tailored specifically to the individual. Where necessary training is provided on charity, educational, legal and financial matters. The Chair of Governors and Senior Leadership Team will undertake training and induction of new governors and access specialist and/or independent trainers where deemed necessary. Governors are provided with copies, or electronic access to, policies, procedures, minutes, accounts, budgets, plans and other documents considered relevant for them to undertake their role effectively.

The academies within the Trust draw on the services of the Diocese and One Education for governance support. One Education also provide a clerk to the Governors with knowledge and experience to guide and assist Governors to meet their statutory obligations. In addition, this service consists of a range of tools (training courses, governor bulletins, discussion forums and governor briefings) for both newly appointed and longer serving Governors.

Organisational structure

The Governing Bodies are collectively responsible for the overall direction of the individual Academies and their strategic management. This involves determining the guiding principles within which the Academy operates, setting general policy, adopting a College / School Improvement Plan and Budget, monitoring the Academy activities and making major decisions about capital expenditure and senior staff appointments. The Governing Body is also responsible for ensuring that the Academy meets all its statutory obligations and through the CEO, CFO, Principal / Head and Business Manager that it complies with financial regulations.

The Governing Body recognises that it would be impractical to undertake all day-to-day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the CEO, CFO, Principal / Heads and the Senior Management of each Academy.

The Senior Leadership Team (SLT) of each, which manages the Academy at an executive level implementing the policies laid down by Governors and reporting back to them, is as follows. For the year under review, responsibilities were distributed as follows:

All Hallows Catholic College

Tim Beesley – Principal

Michelle Garvey – Deputy Principal

Martin Blades – Assistant Principal, Pastoral and Progress Years 7-11

Sarah Marshall – Assistant Principal, Inclusion, Alternative Provision (resigned 31/3/2022)

Steve Lawson – Acting Associate Assistant Principal, Attendance and Punctuality (resigned 31/12/2022)

Jo Pridding – Assistant Principal, CPD, Teaching and Learning

Alex Cook – Assistant Principal (appointed 01/4/2022)

Georgina Wood – Assistant Principal (appointed 01/4/2022)

Gemma Roberts – Assistant Principal, Raising Standards and Curriculum

David Howells – Associate Assistant Principal, Head of Sixth Form

St Alban's Catholic Primary School

Teresa Cooke – Head

Jackie Summers – Deputy Head

Laura Eddowes – SENCO

Julie Agar – School Business Manager

Saint Mary's Catholic Primary School

Greg Merrick – Head of School

Natalie Small – Deputy Head of School

Abi Leyland – School Business Manager (resigned 11/2/2022)

Charlotte North – School Business Manager (appointed 30/3/2022)

St. Paul's Catholic Primary School

Mrs N Armstrong-Boyle – Head

Mrs V Danton – Deputy Headteacher (appointed 1/4/2022)

Mrs C Smith – Deputy Headteacher

Mrs S Poirrette – SENCO

Debbie Wood – School Business Manager

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Christ the King Catholic and Church of England Primary School

Claire Gurden – Head of School

Clare Bradley – Assistant Head

Nicola Farrelly Assistant Head

Charlotte Quigley -School Business Manager

Arrangements for setting pay and remuneration of key management personnel

The Board has approved a Pay Policy which gives each LGB discretion to determine the remuneration levels for senior posts in its school. This reflects the individual circumstances and challenges facing each school. All teaching posts are graded and paid in accordance with the national School Teachers' Pay and Conditions Document. Support staff are subject to a pay-scale approved by the Finance and Resources Committee which is uniform across the Trust. Except where the Trustee is an employee of the Trust, Trustees receive no remuneration for their role.

Trade Union Facilities Time

There are no employees who were union officials during the relevant period.

Connected organisations, including related party relationships

The first relationship of HFNCAT is with the Catholic Diocese of Shrewsbury. The Trust has been established to include schools in All Hallows Learning Community (AHLC) which choose to become academies. Currently there are five AHLC schools which have converted to academies within HFNCAT: All Hallows Catholic College, St Alban's (Macclesfield), Saint Mary's (Congleton), St Paul's (Poynton) and Christ the King (Macclesfield). In addition, All Hallows Catholic College is a member of Teach Cheshire in conjunction with Fallibroome Academy and Poynton High School offering initial teacher training.

Responsibility for the strategic direction of the AHLC lies with the AHLC Forum which includes Heads and Chairs of Governors from each of the schools. The AHLC Headteachers' group meets on a regular basis to draw together and monitor the learning community development plan.

All Hallows Catholic College is a strategic partner in one of the recently designated teaching school hubs, St Joseph's Stoke-on-Trent and will be working with them to deliver the NPQ qualifications from January 2022.

All Hallows Catholic College continues to provide placements for Initial Teacher Training with the University of Manchester, Manchester Metropolitan University and Chester University.

St Alban's has Leading Partnership status with Manchester Metropolitan University. St Paul's is a partner with Manchester Metropolitan University for Initial Teacher Training and works in partnership with the PDA (Poynton, Disley, Adlington) partnership of schools. Saint Mary's is a partner with Staffordshire University for Initial Teacher Training and works in partnership with the Congleton Education Community partnership of schools. Christ the King is a partner with Manchester Metropolitan University for Initial Teacher Training.

Objectives and activities

All Hallows became an Academy within a Multi-academy trust framework in order to strengthen the work we do in providing a world class Catholic education for all the families within our localities and parishes and to respond to the DfE invitation to support other schools in academy conversion. The Multi-academy trust currently has five member schools. Part of the Trust's vision includes welcoming diocesan schools that are on their own improvement journey into our Trust. In response to a request from the Shrewsbury Diocese and Department for Education, HFNCAT made a successful application to become an academy sponsor to welcome from September 2021, any diocesan school with an academy order into HFNCAT following a process of due diligence.

The principle objective and activity of the Charitable Company is the operation of diocesan schools to advance, for the public benefit, Christian education for students within the Catholic tradition. This includes students of all abilities between the ages of 4 -19 with an emphasis on the Christian formation and education of the whole child.

Public benefit

The Governors have confirmed their compliance with their duty to have regard to the guidance on public benefit issued by the Charity Commission and recognise the seven principles of public life extend to them.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Equal opportunities policy

Equal Opportunities Trustees recognise that equal opportunities should be an integral part of good practice in the workplace. The Trust aims to establish equal opportunity in all areas of its activities including maintaining a working environment in which the contribution and needs of all people are fully valued. This includes there are appropriate adjustments for people with a physical disability.

Strategic report

Achievements and performance

The HFNCAT, in its eighth academic year of operation, has five schools: All Hallows Catholic College, which became an academy on 1 January 2013, and three primary schools (St Alban's Catholic Primary School, Saint Mary's Catholic Primary School and St Paul's Catholic Primary School), all of which converted to academy status in 2014/15. Christ the King is the fifth school to join the Trust and converted to academy status on April 1st 2022.

All Hallows, St Alban's, St Paul's and St Mary's were graded as 'Outstanding' in their last Ofsted inspections. Christ the King was graded 'inadequate' at their last inspection.

School Data 2022

All Hallows Catholic College

GCSE	
Progress 8	0.16
Attainment 8	50.76%
Grade 5 or above in Maths and English	52%
Entering EBacc	32%

A Level	Numbers Achieving	Percentage
A* Grades	15	7%
A Grades	44	20%
B Grades	60	27%
A* - E Grades	223	99%

Christ The King Primary School

Early Years Foundation Stage	Percentage	Number	National
Good Level of Development	60	6/10	65%

Phonics	Percentage	Number	National
Year 1	70	7/10	76%
Year 2 Resit	0	0/2	N/A

Key Stage 2	Percentage	Number	National	Progress
Reading	88.8	8/9	74%	Not available
Writing	44.4	4/9	69%	Not available
Maths	Papers Missing		71%	Not available
GPS	77.7	7/9	72%	N/A
Combined	44.4	4/9	59%	N/A

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

St Paul's Primary School

Early Years Foundation Stage	Percentage	Number	National
Good Level of Development	69	9/13	65%

Phonics	Percentage	Number	National
Year 1	88.2	15/17	76%
Year 2 Resit	70.6	7/12	

Key Stage 2	Percentage	Number	National	Progress
Reading	76	13/17	74%	-1.8
Writing	82	14/17	69%	+0.7
Maths	88	15/17	71%	-0.6
GPS	76	13/17	72%	N/A
Combined	71	12/17	59%	N/A

St Alban's Primary School

Early Years Foundation Stage	Percentage	Number	National
Good Level of Development	66	28/41	65%

Phonics	Percentage	Number	National
Year 1	79	37/47	76%
Year 2 Resit	44	4/9	

Key Stage 2	Percentage	Number	National	Progress
Reading	62	31/50	74%	0
Writing	56	28/50	69%	-1.0
Maths	66	33/50	71%	+0.2
GPS	74	37/50	72%	N/A
Combined	40	20/50	59%	N/A

St Mary's Primary School

Early Years Foundation Stage	Percentage	Number	National
Good Level of Development	57	/30	65%

Phonics	Percentage	Number	National
Year 1	75		76%
Year 2 Resit			

Key Stage 2	Percentage	Number	National	Progress
Reading	84	25/30	74%	-0.5
Writing	65	20/30	69%	-2.3
Maths	65	20/30	71%	-1.4
GPS			72%	N/A
Combined	55	17/30	59%	N/A

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key financial performance indicators

Staff Costs as a percentage of total DfE income:

	2022		2021	
	Budget	Actual	Budget	Actual
Teaching	61%	57%	64%	61%
Educational support	12%	11%	11%	11%
Other support	8%	8%	9%	9%

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academies have 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

During the year ended 31 August 2022, total expenditure of £11,679,000 (2021: £10,433,000) was covered by recurrent grant funding from the ESFA and LA together with other incoming resources. The excess of income over expenditure for the year totalled £101,000 (2021 £227,000).

The Academies' core funding has been in the form of General Annual Grant (GAG) from the ESFA. This includes the mainstreamed grants. Income relating to HNB funding has been received from the Local Authority.

All the grants receivable from the ESFA and the LA during the year to 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

At 31 August 2022 the net book value of fixed assets was £1,243,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust.

The Trust's primary schools received a total of £33,599 in relation to recovery funding and school led tutoring. Each school planned a strategy tailored to assist both individual and groups of pupils to catch up on their academic work and social skills, together with a focus on mental health wellbeing. Progress against the plan was carefully monitored in-year with excellent progress made against the plan. The school led tutoring is a ring fenced grant with a balance of £4167 unspent at the end of the year.

All Hallows Catholic College received £54,931 in for recovery funding and school led tutoring. A balance of £10962 remains of the tutor led funding and will continued to be used this financial year as per the following. The College developed a short and medium-term strategic plan aimed at both individual and groups of learners to focus on the needs of all learners at all stages of their academic journey. The funding this year has been used to run targeted intervention for small learner groups with an increased focus on preparing learners for the return of external examinations There has also been an investment in mental health with an additional package of Visyon counselling sessions provided and additional attendance support. The focus on learner well-being underpins all stages of the plan.

The company shows the deficit in relation to its staff in the Local Government Pension Scheme (LGPS) in its balance sheet. This deficit totalled £905,000 at 31 August 2022 (2021: £4,644,000).

The pension value as at 31 August 2022 has been determined by the actuary which is now showing Christ the King Catholic and Church of England Primary School Academy as having a pension asset of £12,000, All Hallows Catholic College as having a pension liability of £300,000, St Alban's Catholic Primary School as having a pension liability of £356,000, St Mary's Catholic Primary School of £165,000 and St Paul's Catholic Primary School as having a pension liability of £96,000 as at 31 August 2022.

This results in the academy trust's consolidated position as showing a pension liability and pension fund deficit. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Academy held fund balances at 31 August 2022 of £2,825,000 surplus comprising £1,291 restricted fixed asset funds, £1,771,000 of restricted funds (excluding £905,000 pension reserve deficit) and £668,000 of unrestricted funds.

All Hallows was awarded the following grants:

- £20,000 through University of Central Lancashire for The Mandarin Excellence Programme. In addition, the college received £19,385 retention payment for the programme
- £12,000 Special Provision Capital Grant from the Local Authority

The Trust was awarded £90,082 TCAF grant. This was used to facilitate recruitment and staffing resource for Trust expansion, additional finance and budgeting software for the converting school, ICFP software consultancy and training, development of a marketing strategy including a corporate dedicated Trust website, Governance review, Finance training and an external review for IT and Estates.

Reserves policy

The Trust's policy is to maintain a prudent level of resources designed to meet the long-term plan and any unforeseen contingencies. The Governors consider the reserves policy annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves and future threats to revenue such as implementation of the National Fairer Funding Formula. The Board have decided to take a cautious and low risk approach in its forecasting of income and expenditure.

The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding the pension deficit of £905,000) as at 31 August 2022 is £2,439,000. The deficit position of the pension scheme would result in a cash flow effect for the academy trust in the form of an increase of employers' pension contributions over a period of years.

Academy	Pension Reserve	Fixed Asset Fund	Fund Balances	Total
All Hallows Catholic College	(300,000)	846,000	1,304,000	1,850,000
St Alban's Catholic Primary	(356,000)	158,000	703,000	505,000
Saint Mary's Catholic Primary	(165,000)	164,000	239,000	238,000
St Paul's Catholic Primary	(96,000)	91,000	165,000	160,000
Christ the King	12,000	32,000	28,000	72,000
Trust Total	(905,000)	1,291,000	2,439,000	2,825,000

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Trust has established a Risk Register to ensure it identifies and manages risks appropriately. LGBs and individual school's senior management team are responsible for identifying and mitigating, as far as possible, the day-to-day operational risks encountered by each school. The Board wishes to maintain a fairly low risk appetite and uses the Risk Register to evaluate and monitor the probability and impact of each risk. The Risk Register is reviewed by the Headteachers at their monthly meeting and reported on at the Board meetings. The principal risks and uncertainties facing the Trust are: (a) pupil numbers; (b) reductions in grant income from principal funders (ESFA, LA); (c) increasing cost pressures; (d) recruitment and retention of suitably qualified staff; (e) appointment of key personnel to lead the MAT going forwards and (f) sickness and absence of key personnel and (g) not maintaining high academic standards. In order to mitigate these key risks, the Board receives monthly Management Accounts for the Trust and must approve any changes to the established staffing structure. A full time permanent CEO has been appointed.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The emphasis that the Trust and the individual schools place on education in values and through social enterprise has resulted in some notable achievements. These include:

All Hallows Catholic College

This year the students and staff of All Hallows raised just over £5k for a variety of charities.

The College has an ongoing commitment to support the clinic in India and this is the major focus of its fundraising activity. The plan to visit in February 2022 has been postponed to February 2023 however, the pledge to financially support the ongoing work in All Hallows clinic in Varasanadu remains the same.

As well as the India project the College also supports other local, national and international social enterprise programmes, including food hampers for families within our own College who continue to struggle in the current financial climate. In December through the generosity of our students we were able to purchase Christmas gifts to the value of £1,611 to donate to CARITAS. We continue to support CAFOD through our Hunger lunches, East Cheshire Hospice through the Santa/Reindeer run, Poppies for The British Legion. Men's cancer awareness and research in 'Movember' and Macmillan Nurse through our annual coffee morning.

St Alban's Catholic Primary School

All pupils are encouraged to take responsibility and be fully involved in the school community – Head Girl and Head Boy, Deputy Head Girl and Deputy Head Boy, Year 6 Prefects, School Council, House Captains and Vice Captains, E-Safety Officers, Eco-Council, Recycling Officers Year 6 Buddies and GIFT team (Growing in Faith Together).

Our children have much involvement in St Alban's Parish and the wider community. Some examples are, CAFOD, Mission Together, Operation Christmas Child, NSPCC, Poppy Appeal, East Cheshire Hospice, Macclesfield Care and Concern Homeless Project, Salvation Army, Cheshire East Recycling, Fair Trade Fortnight, Down Syndrome Association, Cancer Research UK and Children in Need and Manchester Royal Children's Hospital.

Saint Mary's Catholic Primary School

Pupils' leadership is a strong element of the provision at Saint Mary's, where children are encouraged to be active partners in their education and have the opportunity to be fully involved in the school community. A wide range of enrichment activities take place, such as School Council, Mini Vinnies, the GIFT team, play leaders, the Eco and Fairtrade activities and pupil led fundraising, which ensure that pupils are actively involved in living out the mission of the school. We regularly support charities including CAFOD, Mission Together, RNLI, NSPCC, Poppy Appeal, Age UK, East Cheshire Hospice, Salvation Army, Cheshire East Recycling, Fair Trade Fortnight, Cancer Research UK and other local charities.

Children from the school are also regular volunteers at Congleton in Bloom events to ensure the town is a cleaner and greener place to live, work and visit, and ensures the school's continued focus on sustainability. The school offers regular forest school sessions for all pupils, covering a range of topics including sustainability and conservation. To support children's emotional wellbeing, the school provides a nurture space, designed by staff and children and this has been a great addition to the school and builds on the strong catholic ethos of Saint Mary's Catholic Primary School.

St Paul's Catholic Primary School

The pupils of St Paul's are committed to fundraise whenever possible to support charities linked with causes which have touched the lives of children in our school, for example: Batten Disease Family Association; Click Sargent; Ollie's Army; Jeans for Genes; Down Syndrome Association; Reuben's Retreat; Macmillan Cancer Support and East Cheshire Hospice. Further fundraising takes place throughout the year, such as: Mary's Meals; CAFOD; Mini-Vinnies; Mission Together; Wellspring; The Royal British Legion; the NSPCC and Children in Need.

Christ the King Primary School

The school has an ongoing commitment to support local fundraising events and community projects. They have established an allotment where members of the local community have got involved with sustainable green projects with the pupils. They have also established an IT suite to assist families with completing forms and where they can receive support and information about benefits and opportunities available to them. Other fundraising activities that the pupils have taken part in are Macmillan Coffee mornings, CAFOD, and the pupils have collected for the food banks which have been taken to Cre8 and the Salvation Army Streetwise project.

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Trust has developed a strategic plan which reflects the Board's aims and the activities that flow from them to ensure that excellent standards are maintained, and attainment continues to rise across the Trust. The key strategic aims are as follows:

Strategic Aim 1: Catholic Ethos

To further strengthen our schools as beacons of faith that engage with other HFNCAT schools, their local parishes and the wider Catholic communion disseminating Christ's teachings.

- a. Further strengthen the Catholic distinctiveness of our schools and continue to promote and develop our Catholic ethos.
- b. Ensure all staff, children and young people have opportunities to grow in their faith.
- c. Provide training opportunities for staff that supports the Catholic life of our schools.
- d. Ensure all schools within the Trust are fully prepared for their Denominational Inspection.
- e. Enhance the image and work of the Trust through communication, media and marketing.

Strategic Aim 2: Quality of Education

To ensure our schools are centres of excellence in teaching and learning where every child and young person makes outstanding progress and is ready for the next stage in their education and lives.

- a. To improve standards in Reading, Writing and Mathematics so that year-on-year more pupils achieve and exceed age-related expectations, and progress exceeds that made by pupils with similar starting points.
- b. To ensure Progress 8 and Attainment 8 scores at KS4 show year on year improvement from current position with gaps in disadvantaged groups closing when compared to others.
- c. To ensure all subjects at KS5 achieve + VA with ALPS 3.
- d. To secure high quality teaching and learning of a dynamic and broad curriculum which supports academic progress, emotional well-being and the development of independence and preparation for next steps.
- e. To identify effective practice in supporting the needs of pupils in receipt of pupil premium so that groups at risk of underachieving make good or better progress as required.
- f. To improve pupil attendance levels and reduce the number of persistent absentees.
- g. To address the specific challenges and priorities as a result of Covid-19.

Strategic Aim 3: Leadership

To ensure high quality leadership and governance at Trust Board / Local Governing Board and individual school level.

- a. To develop a fully-functioning, high-level Trust Board that represents the full range of skills required.
- b. To embed high quality governance at Local Governing Board level, focused clearly on raising standards.
- c. To empower leaders, including senior and middle leaders, to lead the improvement journey within and beyond their academies, holding others to account for outcomes.
- d. To secure retention of good staff and recruitment of high-quality staff.
- e. To ensure effective succession planning to secure high quality leaders across the Trust.

Strategic Aim 4: Growth and Sustainability

To ensure that all HFNCAT resources are well used, maintained and managed, to ensure improvement, capacity and growth for the future.

- a. To explore opportunities for growth.
- b. To develop the structure of the organisation.
- c. To deliver a strong financial plan.
- d. To ensure that all physical resources – buildings, equipment, and IT infrastructures are fit for purpose, secure and accessible.

Medium term, the Trust remains committed to working with the Diocese to grow a larger, more sustainable Trust.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Funds held as custodian trustee on behalf of others


During the period from 1 September 2020 to 31 August 2022, The Holy Family of Nazareth Catholic Academy Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Auditors

Insofar as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30/11/2022 and signed on the board's behalf by:



.....
Mr John Kalnins
Chair of Trustees

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that HFNCAT 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.

During 21-22 The Trustees delegated the day-to-day responsibility to the Chief Executive 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 HFNCAT and the Secretary of State for Education. They are also responsible for reporting to the Board 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 has formally met 7 times during the year, 4 as a full Board and 3 finance and resources committee meetings.

Attendance during the year at meetings of the Board was as follows:

Trustee	Meetings attended	Out of a possible (depending on date of appointment/resignation)
Mrs N Armstrong-Boyle	3	3
Mr T Beesley	3	3
Mr G Merrick	0	3
Mr D Caldwell	0	3
Mr P Collins	4	4
Mrs A M Connor	4	4
Mrs T M Cooke	3	3
Mrs M Goldspink	1	3
Mrs N Hutchings	4	4
Mr J Kalnins	4	4
Mr S Miller	2	3
Mr S Robinson	0	3
Dr R Stuart-Buttle	3	4
Ms C Watson	2	3

Mr J Kalnins and Dr R Stuart-Buttle were re-appointed as Chair and Vice Chair respectively at the October 2021 Board meeting.

The Board of Trustees is selected to ensure an appropriate skill set for the Trust, providing a wide breadth of talent and expertise which enables the Trust to enhance the opportunities for its staff and pupils and to ensure the objects of the trust are being met at all levels. The Trust conducts an annual skills audit for its trustees to identify any gaps in expertise and to inform these selections. New members appointed include one with senior level educational expertise and one with high level HR expertise to fill the skills gap identified. A Governance review was carried out as part of the Internal Scrutiny review.

Training is provided for new Directors according to their existing skills and experience and tailored specifically to the individual. Where necessary, training is provided on charity, educational, legal and financial matters. Individual Directors have been involved in a range of training including health and safety, disability and equality, safeguarding and child protection, GDPR, privacy and data protection, as well as representing the Trust at the Primary conference and Foundation Directors conference. Directors are provided with copies or electronic access to, policies, procedures, minutes, accounts, budgets, plans and other documents considered relevant for them to undertake their role effectively. The Trust uses an external provider to provide a Governing Body Termly Handbook.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Finance and Resources committee is a sub-committee of the main Board. Its duties include those undertaken by an Audit Committee: to review and challenge the Trust's financial reporting, internal controls and risk management systems, to monitor compliance, whistleblowing, fraud, and to appoint and liaise with the external auditor. The Committee met three times during the year ended 31 August 2022.

Review of value for money

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

The Accounting Officer considers how the Trust'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 Trust has delivered improved value for money during the year by:

- Monitoring finance across the Trust on a monthly basis, including scrutiny of staffing decisions, monitoring expenditure vs budget, debtors/creditors and cashflow;
- Utilising purchasing consortiums for negotiating contracts for utilities, cleaning and transport services;
- Implementing a central finance function from September 2021 including the introduction of central accounting and budgeting software. This will assist in facilitating the Trusts' growth plans and will focus on identifying both process and purchasing efficiencies, together with building on the Trusts' financial expertise.
- Developing a rigorous budget setting process, allowing a balanced budget to be set for 2022-2023.

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 HFNCAT for the year 1 September 2021 to 31 August 2022 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 its academies are 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 academies' significant risk that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

Dains LLP have been the internal auditor throughout the financial year. They continue to support the Trust in relation to VAT claims and have also undertaken internal scrutiny work including Cash and Bank systems, Governance Review, Month end procedures. The report findings were presented to the Trust Board in December 2022.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

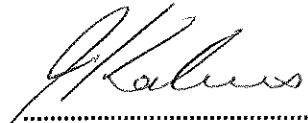
Review of effectiveness

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

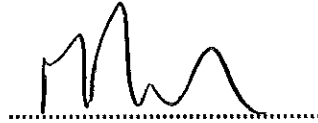
- the work of the internal auditor;
- the work of the external auditors;
- support from a School's Resource Management Advisor;
- the work of the staff within the academies who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the auditors 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 30/11/2022 and signed on its behalf by:



Mr J Kalnins
Chair of Trustees



Mr M Mountcastle
Accounting Officer

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of The Holy Family of Nazareth Catholic Academy 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 terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's 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 Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Non-financial issues

Related party transactions - the academy trust failed to notify the ESFA of all transactions with the related party in advance of the contract commencing.



.....
Mr M Mountcastle
Accounting Officer

Date: 30/11/22

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of The Holy Family of Nazareth Catholic Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 30/11/2022 and signed on its behalf by:



.....
Mr J Kalnins
Chair of Trustees

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of The Holy Family of Nazareth Catholic Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the accounts themselves. 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.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's or the parent charitable company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

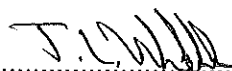
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor


Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date.....

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 11 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Holy Family of Nazareth Catholic Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Holy Family of Nazareth Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Holy Family of Nazareth Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 31 December 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

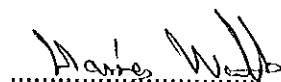
The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- The academy trust failed to notify the ESFA of all transactions with a related party in advance of the contract commencing.



Haines Watts
Reporting Accountant

Date: 20/11/22

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and capital grants	3	-	26	185	211	102
Donations - transfer from local authority on conversion	26	88	(150)	3	(59)	-
Charitable activities:						
- Funding for educational operations	4	-	11,170	-	11,170	10,391
Other trading activities	5	458	-	-	458	167
Total		<u>546</u>	<u>11,046</u>	<u>188</u>	<u>11,780</u>	<u>10,660</u>
Expenditure on:						
Raising funds	6	3	-	-	3	3
Charitable activities:						
- Educational operations	8	351	11,192	133	11,676	10,430
Total	6	<u>354</u>	<u>11,192</u>	<u>133</u>	<u>11,679</u>	<u>10,433</u>
Net income/(expenditure)		192	(146)	55	101	227
Transfers between funds	17	-	36	(36)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	4,554	-	4,554	(1,041)
Net movement in funds		192	4,444	19	4,655	(814)
Reconciliation of funds						
Total funds brought forward		476	(3,578)	1,272	(1,830)	(1,016)
Total funds carried forward		<u>668</u>	<u>866</u>	<u>1,291</u>	<u>2,825</u>	<u>(1,830)</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2021		funds	General	Fixed asset	2021
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	26	76	102
Charitable activities:					
- Funding for educational operations	4	-	10,391	-	10,391
Other trading activities	5	167	-	-	167
Total		167	10,417	76	10,660
Expenditure on:					
Raising funds	6	3	-	-	3
Charitable activities:					
- Educational operations	8	110	10,191	129	10,430
Total	6	113	10,191	129	10,433
Net income/(expenditure)		54	226	(53)	227
Transfers between funds	17	(3)	(70)	73	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,041)	-	(1,041)
Net movement in funds		51	(885)	20	(814)
Reconciliation of funds					
Total funds brought forward		425	(2,693)	1,252	(1,016)
Total funds carried forward		476	(3,578)	1,272	(1,830)

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£'000	£'000
Fixed assets			
Tangible assets	12	1,243	1,272
Current assets			
Debtors	13	652	297
Cash at bank and in hand		2,858	1,882
		3,510	2,179
Current liabilities			
Creditors: amounts falling due within one year	14	(1,001)	(610)
Net current assets		2,509	1,569
Total assets less current liabilities		3,752	2,841
Creditors: amounts falling due after more than one year	15	(22)	(27)
Net assets before defined benefit pension scheme liability		3,730	2,814
Defined benefit pension scheme liability	19	(905)	(4,644)
Total net assets/(liabilities)		2,825	(1,830)
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		1,291	1,272
- Restricted income funds		1,771	1,066
- Pension reserve		(905)	(4,644)
Total restricted funds		2,157	(2,306)
Unrestricted income funds	17	668	476
Total funds		2,825	(1,830)

The accounts were approved by the trustees and authorised for issue on 30/11/2022 and are signed on their behalf by:



Mr J Kalnins
Chair of Trustees

Company registration number 08307881

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £'000	£'000	2021 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		809		671
Cash funds transferred on conversion			88		-
			897		671
Cash flows from investing activities					
Capital grants from DfE Group		173		45	
Other capital grants		12		31	
Purchase of tangible fixed assets		(101)		(149)	
Net cash provided by/(used in) investing activities			84		(73)
Cash flows from financing activities					
Repayment of long term loan		(5)		(4)	
Net cash used in financing activities			(5)		(4)
Net increase in cash and cash equivalents in the reporting period			976		594
Cash and cash equivalents at beginning of the year			1,882		1,288
Cash and cash equivalents at end of the year			<u>2,858</u>		<u>1,882</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

The Holy Family of Nazareth Catholic Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Holy Family of Nazareth Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Christ the King Catholic and Church of England Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The property is held under church supplemental agreements which permit occupancy of these premises with a notice period of two years. Further details of the transaction are set out in note 26.

1.4 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period 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. Capital grants are recognised in full when there is an unconditional entitlement to the grant. Capital grant income in connection with expenditure on property held under supplemental agreements is included in restricted general funds. Capital grant income in connection with expenditure on fixed assets is included in the restricted fixed asset fund. Unspent amounts of capital grants are reflected in the balance sheet in the restricted general funds and the restricted fixed asset funds as appropriate.

Donations

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

Other income

Other income, including school to school support and the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Charitable activities

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

Other expenditure

Other expenditure includes donations to the Shrewsbury Roman Catholic Diocesan Trustees by way of improvements to property held under supplemental agreements.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 to 125 years (land), 10 to 50 years (leasehold improvements)
Computer equipment	3 years
Fixtures, fittings & equipment	4 years

The Trust also occupies property held under church supplemental arrangements which permit occupancy of these premises with a notice period of two years. The Trust is not able to exercise control over this property and therefore no such applicable property has been recognised in these financial statements.

The Trust holds football pitch facilities within one of its academies which are included within land and buildings. The trustees have changed the depreciation rate applied to the football pitch and this is now depreciated at 2% straight line per annum (previously 0.8% straight line per annum).

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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 cost. 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 instrument.

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

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

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees have considered the apportionment of depreciation between direct and support costs. The majority of fixed assets are almost entirely used for the provision of education and only a small part for support services. Therefore a 95% direct cost and 5% support cost apportionment is considered appropriate.

The trustees have considered the accounting treatment of land and buildings utilised by the Trust and, in particular, the occupied property that is held under church supplemental agreements. The freehold titles to the properties occupied under supplemental agreements are held by Shrewsbury Roman Catholic Diocesan Trustees. Under church supplemental agreements the academy trust is permitted occupancy of the properties with a notice period of two years, and no rental is payable under these arrangements. The trustees do not consider that the academy trust is able to exercise control over the properties and therefore the properties do not meet the definition of an asset of the Trust and have not been recognised as fixed assets in these financial statements. The market value of such donated facilities has not been recognised in the financial statements as the trustees consider that no reliable measure is available. Any expenditure on such properties is included as other expenditure in the statement of financial activities.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Capital grants	-	185	185	76
Other donations	-	26	26	26
	-	211	211	102

4 Funding for the academy trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	9,639	9,639	8,639
Other DfE/ESFA grants:				
- UIFSM	-	88	88	101
- Pupil premium	-	343	343	319
- ITT bursaries grants	-	-	-	40
- Teachers pay grant	-	79	79	442
- Others	-	336	336	158
	-	10,485	10,485	9,699
Other government grants				
Local authority grants	-	570	570	423
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	135
Other DfE/ESFA COVID-19 funding	-	20	20	47
	-	20	20	182
Other funding from academy trust's educational operations	-	95	95	87
Total funding	-	11,170	11,170	10,391

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.'

Local authority grants comprise special educational needs funding of £400,000 (2021: £326,000), early years funding of £116,000 (2021: £75,000), pupil premium funding of £nil (2021: £1,000) and other income of £54,000 (2021: £21,000).

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's charitable activities

The academy also received £20,000 of mass-testing and vaccination funding in the year and all the funding has been spent within the year.

There were no unfulfilled conditions or other contingencies in respect of government grant funding.

5 Other trading activities

	Unrestricted Funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Lettings income	74	-	74	63
Other income	384	-	384	104
	<u>458</u>	<u>-</u>	<u>458</u>	<u>167</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
- Direct costs	-	-	3	3	3
Academy's educational operations					
- Direct costs	6,384	124	1,116	7,624	7,485
- Allocated support costs	2,438	820	794	4,052	2,945
	<u>8,822</u>	<u>944</u>	<u>1,913</u>	<u>11,679</u>	<u>10,433</u>

Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	17	13
- Other services	2	1
Operating lease rentals	20	22
Depreciation of tangible fixed assets	133	129
Net interest on defined benefit pension liability	84	57

7 Central services

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

- human resources;
- financial services and technical support;
- legal services;
- clerking services;
- financial software; and
- audit services

The academy trust charges each school 3% of its General Annual Grant income to cover the central services received.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7	Central services				(Continued)
The amounts charged during the year were as follows:			2022	2021	
			£'000	£'000	
All Hallows Catholic College			197	119	
St Alban's Catholic Primary School			43	26	
Saint Mary's Catholic Primary School			27	16	
St Paul's Catholic Primary School			16	10	
Christ The King Catholic and Church Of England Primary School			-	-	
			<u>283</u>	<u>171</u>	
8	Charitable activities				
		Unrestricted funds	Restricted funds	Total 2022	Total 2021
		£'000	£'000	£'000	£'000
Direct costs					
Educational operations		317	7,307	7,624	7,485
Support costs					
Educational operations		34	4,018	4,052	2,945
		<u>351</u>	<u>11,325</u>	<u>11,676</u>	<u>10,430</u>
Analysis of costs				2022	2021
				£'000	£'000
Direct costs					
Teaching and educational support staff costs				6,384	6,603
Staff development				26	21
Depreciation				124	121
Technology costs				17	31
Educational supplies and services				479	351
Examination fees				95	93
Other direct costs				499	265
				<u>7,624</u>	<u>7,485</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8	Charitable activities	(Continued)	
		2022	2021
		£'000	£'000
	Support costs		
	Support staff costs	2,455	1,738
	Depreciation	9	8
	Technology costs	112	78
	Maintenance of premises and equipment	319	180
	Cleaning	192	184
	Energy costs	174	129
	Rent, rates and other occupancy costs	76	92
	Insurance	39	38
	Security and transport	12	18
	Catering	170	156
	Interest on defined benefit pension scheme	84	57
	Legal costs	141	66
	Other support costs	234	172
	Governance costs	35	29
		<u>4,052</u>	<u>2,945</u>

9	Staff costs		
	Staff costs during the year were:		
		2022	2021
		£'000	£'000
	Wages and salaries	6,182	6,007
	Social security costs	606	581
	Pension costs	1,908	1,701
	Staff costs - employees	<u>8,696</u>	<u>8,289</u>
	Agency staff costs	126	39
		<u>8,822</u>	<u>8,328</u>
	Staff development and other staff costs	43	34
	Total staff expenditure	<u>8,865</u>	<u>8,362</u>

Staff numbers

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

	2022	2021
	Number	Number
Teachers	101	110
Administration and support	149	107
Management	8	18
	<u>258</u>	<u>235</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
£100,000 - £110,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £507,000 (2021: £460,000).

10 Trustees' remuneration and expenses

One or more of the 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 staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs A M Connor (staff trustee)

Remuneration: £25,001 - £30,000 (2021: £15,001 - £20,000)

Employers pension contributions: £nil (2021: £nil)

Mrs N Armstrong-Boyle (staff trustee) - resigned 31 March 2022

Remuneration: £35,001 - £40,000 [7 months] (2021: £60,001 - £65,000)

Employers pension contributions: £5,001 - £10,000 [7 months] (2021: £15,001 - £20,000)

Mrs T M Cooke (staff trustee) - resigned 31 March 2022

Remuneration: £40,001 - £45,000 [7 months] (2021: £65,001 - £70,000)

Employers pension contributions: £5,001 - £10,000 [7 months] (2021: £15,001 - £20,000)

Mr G Merrick (staff trustee) - resigned 31 March 2022

Remuneration: £30,001 - £35,000 [7 months] (2021: £n/a)

Employers pension contributions: £5,001 - £10,000 [7 months] (2021: £n/a)

Mr T Beesley (staff trustee) - resigned 31 March 22

Remuneration: £55,001 - £60,000 [7 months] (2021: £95,001 - £100,000)

Employers pension contributions: £10,001 - £15,000 [7 months] (2021: £20,001 - £25,000)

During the year, travel and subsistence payments totalling £291 (2021: £141) were reimbursed to two (2021: one) trustees.

Other transactions with the trustees are set out in the related parties note.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 trust 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.

12 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2021	1,244	937	433	2,614
Transfer on conversion	-	3	-	3
Additions	31	51	19	101
	<u>1,275</u>	<u>991</u>	<u>452</u>	<u>2,718</u>
Depreciation				
At 1 September 2021	170	806	366	1,342
Charge for the year	30	72	31	133
	<u>200</u>	<u>878</u>	<u>397</u>	<u>1,475</u>
Net book value				
At 31 August 2022	<u>1,075</u>	<u>113</u>	<u>55</u>	<u>1,243</u>
At 31 August 2021	<u>1,074</u>	<u>131</u>	<u>67</u>	<u>1,272</u>

The academy trust occupies property held under church supplemental arrangements which permit occupancy of these premises with a notice period of two years. The academy trust is not able to exercise control over this property and therefore no such applicable property has been recognised in these financial statements.

13 Debtors

	2022 £'000	2021 £'000
Trade debtors	239	26
VAT recoverable	116	65
Prepayments and accrued income	297	206
	<u>652</u>	<u>297</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Government loans	4	4
Trade creditors	288	103
Other taxation and social security	302	290
Other creditors	17	4
Accruals and deferred income	390	209
	<u>1,001</u>	<u>610</u>

15 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Government loans	<u>22</u>	<u>27</u>
	<u>22</u>	<u>27</u>
Analysis of loans	2022 £'000	2021 £'000
Not wholly repayable within five years by instalments	26	31
Less: included in current liabilities	(4)	(4)
Amounts included above	<u>22</u>	<u>27</u>
Loan maturity		
Debt due in one year or less	4	4
Due in more than one year but not more than two years	4	4
Due in more than two years but not more than five years	13	13
Due in more than five years	5	10
	<u>26</u>	<u>31</u>

Included within creditors is a loan of £26,000 from Salix to part fund for the replacement of a boiler. The loan is provided at 0% interest rate. Bi-yearly payments are made against the loan and is expected to be fully repaid on March 2028.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16	Deferred income	2022	2021
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	92	137
		<u> </u>	<u> </u>
	Deferred income at 1 September 2021	137	110
	Released from previous years	(137)	(110)
	Resources deferred in the year	92	137
		<u> </u>	<u> </u>
	Deferred income at 31 August 2022	92	137
		<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Early Years funding, income received in advance of educational visits to take place in 2022/23 and other fundraising.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	889	9,639	(8,793)	36	1,771
UIFSM	-	88	(88)	-	-
Pupil premium	-	343	(343)	-	-
Catch-up premium	61	-	(61)	-	-
Other DfE/ESFA COVID-19 funding	-	20	(20)	-	-
Other DfE/ESFA grants	116	415	(531)	-	-
Other government grants	-	570	(570)	-	-
Other restricted funds	-	121	(121)	-	-
	<u>1,066</u>	<u>11,196</u>	<u>(10,527)</u>	<u>36</u>	<u>1,771</u>
Restricted other funds					
Pension reserve	(4,644)	(150)	(665)	4,554	(905)
Restricted fixed asset funds					
Inherited on conversion	877	3	(15)	-	865
DfE group capital grants	199	173	(70)	(117)	185
Capital expenditure from GAG	186	-	(47)	81	220
Local authority capital donation	-	12	-	-	12
Private sector capital sponsorship	10	-	(1)	-	9
	<u>1,272</u>	<u>188</u>	<u>(133)</u>	<u>(36)</u>	<u>1,291</u>
Total restricted funds	<u>(2,306)</u>	<u>11,234</u>	<u>(11,325)</u>	<u>4,554</u>	<u>2,157</u>
Unrestricted funds					
General funds	436	546	(354)	-	628
Designated fund	40	-	-	-	40
	<u>476</u>	<u>546</u>	<u>(354)</u>	<u>-</u>	<u>668</u>
Total funds	<u>(1,830)</u>	<u>11,780</u>	<u>(11,679)</u>	<u>4,554</u>	<u>2,825</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Designated funds are those which the board of trustees have reserved towards resurfacing costs of the football pitch.

The transfer from General Annual Grant restricted general funds to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year. The transfer from fixed asset funds to General Annual Grant restricted funds relates to CIF funding received in the year for electrical rewiring works.

The pension value as at 31 August 2022 has been determined by the actuary which is now showing Christ the King Catholic and Church of England Primary School Academy as having a pension asset of £12,000, All Hallows Catholic College as having a pension liability of £300,000, St Alban's Catholic Primary School as having a pension liability of £356,000, St Mary's Catholic Primary School of £165,000 and St Paul's Catholic Primary School as having a pension liability of £96,000 as at 31 August 2022. This results in the academy trust's consolidated position as showing a pension liability and pension fund deficit. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	473	8,639	(8,153)	(70)	889
UIFSM	-	101	(101)	-	-
Pupil premium	-	319	(319)	-	-
Catch-up premium	-	135	(74)	-	61
Other DfE/ESFA COVID-19 funding	-	47	(47)	-	-
Other DfE/ESFA grants	-	198	(82)	-	116
Other government grants	-	423	(423)	-	-
Teachers' pension grant	-	326	(326)	-	-
Teachers' pay grant	-	116	(116)	-	-
Other restricted funds	-	113	(113)	-	-
Pension reserve	(3,166)	-	(437)	(1,041)	(4,644)
	<u>(2,693)</u>	<u>10,417</u>	<u>(10,191)</u>	<u>(1,111)</u>	<u>578</u>
Restricted fixed asset funds					
Inherited on conversion	892	-	(15)	-	877
DfE group capital grants	191	76	(68)	-	199
Capital expenditure from GAG	161	-	(45)	70	186
Private sector capital sponsorship	8	-	(1)	3	10
	<u>1,252</u>	<u>76</u>	<u>(129)</u>	<u>73</u>	<u>1,272</u>
Total restricted funds	<u>(1,441)</u>	<u>10,493</u>	<u>(10,320)</u>	<u>(1,038)</u>	<u>(2,306)</u>
Unrestricted funds					
General funds	385	167	(113)	(3)	436
Designated fund	40	-	-	-	40
	<u>425</u>	<u>167</u>	<u>(113)</u>	<u>(3)</u>	<u>476</u>
Total funds	<u>(1,016)</u>	<u>10,660</u>	<u>(10,433)</u>	<u>(1,041)</u>	<u>(1,830)</u>

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

Total funds analysis by academy

	2022	2021
	£'000	£'000
Fund balances at 31 August 2022 were allocated as follows:		
All Hallows Catholic College	1,304	598
St Alban's Catholic Primary School	703	587
Saint Mary's Catholic Primary School	239	171
St Paul's Catholic Primary School	165	186
Christ The King Catholic and Church Of England Primary School	28	-
Total before fixed assets fund and pension reserve	2,439	1,542
Restricted fixed asset fund	1,291	1,272
Pension reserve	(905)	(4,644)
Total funds	2,825	(1,830)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
All Hallows Catholic College	3,974	1,744	316	1,341	7,375	6,680
St Alban's Catholic Primary School	1,098	258	57	291	1,704	1,649
Saint Mary's Catholic Primary School	705	244	55	385	1,389	1,291
St Paul's Catholic Primary School	408	147	39	132	726	684
Christ The King Catholic and Church Of England Primary School	199	62	12	76	349	-
	6,384	2,455	479	2,225	11,543	10,304

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	1,243	1,243
Current assets	668	2,794	48	3,510
Current liabilities	-	(1,001)	-	(1,001)
Non-current liabilities	-	(22)	-	(22)
Pension scheme liability	-	(905)	-	(905)
Total net assets	668	866	1,291	2,825

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	1,272	1,272
Current assets	476	1,703	-	2,179
Current liabilities	-	(610)	-	(610)
Non-current liabilities	-	(27)	-	(27)
Pension scheme liability	-	(4,644)	-	(4,644)
Total net assets	476	(3,578)	1,272	(1,830)

19 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £155,000 (2021: £152,000) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,028,000 (2021: £1,020,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.9 to 26.6% for employers and 2.75 to 6.25% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	299	301
Employees' contributions	90	89
Total contributions	389	390

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.7 - 3.9	3.6
Rate of increase for pensions in payment/inflation	3.05 - 3.20	2.9
Discount rate for scheme liabilities	4.25	1.7

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

	2022 Years	2021 Years
Retiring today		
- Males	21.2	21.4
- Females	23.8	24.0
Retiring in 20 years		
- Males	22.1	22.4
- Females	25.5	25.7

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2022	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2-3%	10 - 86
1 year increase in member life expectancy	4%	273
0.1% increase in the Pension Increase Rate	2-3%	9 - 82
0.1% increase in the Salary Increase Rate	0%	10

The academy trust's share of the assets in the scheme	2022 Fair value £'000	2021 Fair value £'000
Equities	2,905	2,599
Corporate bonds	1,897	2,373
Property	771	565
Other assets	356	113
Total market value of assets	5,929	5,650

The actual return on scheme assets was £(466,000) (2021: £637,000).

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations		(Continued)	
Amount recognised in the statement of financial activities		2022	2021
		£'000	£'000
Current service cost		874	681
Past service cost		6	-
Interest income		(99)	(83)
Interest cost		183	140
Total operating charge		964	738
Changes in the present value of defined benefit obligations		2022	2021
		£'000	£'000
At 1 September 2021		10,294	7,880
Obligations acquired on conversion		614	-
Current service cost		874	681
Interest cost		183	140
Employee contributions		90	89
Actuarial (gain)/loss		(5,119)	1,595
Benefits paid		(108)	(91)
Past service cost		6	-
At 31 August 2022		6,834	10,294
Changes in the fair value of the academy trust's share of scheme assets		2022	2021
		£'000	£'000
At 1 September 2021		5,650	4,714
Assets acquired on conversion		464	-
Interest income		99	83
Actuarial loss/(gain)		(565)	554
Employer contributions		299	301
Employee contributions		90	89
Benefits paid		(108)	(91)
At 31 August 2022		5,929	5,650

The pension value as at 31 August 2022 has been determined by the actuary which is now showing Christ the King Catholic and Church of England Primary School Academy as having a pension asset of £12,000, All Hallows Catholic College as having a pension liability of £300,000, St Alban's Catholic Primary School as having a pension liability of £356,000, St Mary's Catholic Primary School of £165,000 and St Paul's Catholic Primary School as having a pension liability of £96,000 as at 31 August 2022. This results in the academy trust's consolidated position as showing a pension liability and pension fund deficit. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Reconciliation of net income to net cash flow from operating activities

	Notes	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)		101	227
Adjusted for:			
Net deficit on conversion to academy	26	59	-
Capital grants from DfE and other capital income		(185)	(76)
Defined benefit pension costs less contributions payable	19	581	380
Defined benefit pension scheme finance cost	19	84	57
Depreciation of tangible fixed assets		133	129
(Increase) in debtors		(355)	(67)
Increase in creditors		391	21
Net cash provided by operating activities		809	671

21 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	1,882	976	2,858
Loans falling due within one year	(4)	-	(4)
Loans falling due after more than one year	(27)	5	(22)
	1,851	981	2,832

22 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
Amounts due within one year	18	11
Amounts due in two and five years	35	18
	53	29

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

L Alberti, a local governor at All Hallows Catholic College, is also the college lead at Project Inc. and therefore has an interest. During the year, the academy trust paid £18,810 (2021: £10,890) in relation to supply of art sessions. No amounts were owed by the academy trust at the year end. In entering into this transaction, the academy trust has complied with the requirements of the Academies Trust Handbook 2021.

J Hardy, a trustee, is also a director at CRE8 Macclesfield Ltd and therefore has an interest. During the year, the academy trust paid £390 (2021: £n/a) in relation to Learning Plus sessions. No amounts were owed by the academy trust at the year end. In entering into this transaction, the academy trust has not complied with the requirements of the Academies Trust Handbook 2021 by not declaring all transactions to the ESFA in advance of the commencement of contract.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds for the ESFA. In the accounting period ending 31 August 2022, the trust also received £10,579 (2021: £7,832) and disbursed £11,923 (2021: £4,728) from the fund. An amount of £1,760 (2021: £3,104) is included in other creditors at the balance sheet date.

26 Conversion to an academy

On 1 April 2022 Christ the King Catholic and Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Holy Family of Nazareth Catholic Academy Trust from the Cheshire East Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Christ The King Catholic and Church Of England Primary School	Macclesfield	1 April 2022

FOR THE YEAR ENDED 31 AUGUST 2022

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