

Registered number: 08307881

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Reverend D J Roberts  
Bishop M Davies  
Mr D Cunningham  
Mrs C Lawrence

**Trustees**

Mr A S Billings, Principal of All Hallows Catholic College (resigned 31 March 2018)  
Mr P Nickson, Principal of All Hallows Catholic College (appointed 1 April 2018, resigned 31 August 2018)  
Mrs J M Feely, Chair of Governors at All Hallows Catholic College  
Mrs N Armstrong-Boyle, Head of St Paul's Catholic Primary School  
Mr J Kalnins, Chair of St Paul's Catholic Primary School (until 17 July 2018), Foundation Governor (from 17 July 2018) and Chair of Trust (from 12 October 2018)  
Mr S Robinson, Chair of St Paul's Catholic Primary School (appointed 17 July 2018)  
Mrs T M Cooke, Head of St Alban's Catholic Primary School  
Mr B Hennessey, Vice Chair of St Alban's Catholic Primary School (appointed 18 October 2017, resigned 31 August 2018)  
Mrs S Humphries, Head of Saint Mary's Catholic Primary School  
Mrs L Thomas, Acting Head of Saint Mary's Catholic Primary School (appointed 1 September 2018)  
Mrs C M Ingram, Chair of Saint Mary's Catholic Primary School  
Mrs H E Knight, Foundation Governor and Chair of the Trust (resigned 31 July 2018)  
Mr D Cunningham, Foundation Governor (resigned 24 April 2018)  
Mr S W Gachuhi, Foundation Governor  
Reverend D J Roberts, Foundation Governor (resigned 18 October 2017)  
Mr P Collins, Foundation Governor (appointed 17 July 2018)  
Mrs R Stuart-Buttle, Foundation Governor (appointed 17 July 2018)  
Mr P P Weston, Foundation Governor and Chair of Trust (from 1 August 2018) (appointed 17 July 2018, resigned 3 October 2018)  
Mrs A M Connor, Chair of St Alban's Catholic Primary School (resigned 18 October 2017 and re-appointed 1 September 2018)  
Mr T P Beesley, Principal of All Hallows Catholic College (appointed 1 September 2018)  
Mrs A Heaton, Staff Governor (resigned 18 October 2017)

**Company registered number**

08307881

**Company name**

The Holy Family of Nazareth Catholic Academy Trust

**Principal and registered office**

Brooklands Avenue, Macclesfield, Cheshire, SK11 8LB

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Company secretary**

Mrs J Leigh (resigned 12 October 17)  
Mrs D Milne (appointed 14 December 17)

**Accounting officer**

Mr A S Billings (resigned 31 March 2018)  
Mrs S Humphries (appointed 1 April 2018)

**Senior management team**

Mr A S Billings, (resigned 31 March 2018)  
Mrs A M Connor  
Mrs N Armstrong-Boyle  
Mrs T M Cooke  
Mrs S Humphries  
Mrs J Leigh, (resigned 12 October 2017)  
Mr P Nickson, (from 1 April 2018)

**Independent auditors**

Mitten Clarke Audit Limited, The Glades, Festival Way, Stoke-on-Trent, Staffordshire, ST1 5SQ

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

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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) for the year ended 31 August 2018. 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 Financial Reporting Standard 102 'The financial reporting Standard Applicable in the UK and Republic of Ireland', the Charities SORP 2015. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Trust operates one secondary and three primary academies in Cheshire East. Its academies have a pupil capacity of 2006 and a current roll of 1882.

### **Structure, governance and management**

#### **a. Constitution**

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

The charitable company's memorandum and articles of association are the primary governing document of the academy trust.

The Trustees for the charitable activities of The Holy Family of Nazareth Catholic Academy Trust 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 (AHCC), Macclesfield  
St Alban's Catholic Primary School, Macclesfield  
Saint Mary's Catholic Primary School, Congleton  
St Paul's Catholic Primary School, Poynton

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

The Trust has the following organisational structure:

Level 1: Board of the Multi Academy Trust (Directors)  
Level 2: Trust Committees (Directors/Local Governors)  
Level 3: Local Governing Bodies (LGBs)  
Level 4: The Accounting Officer (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).

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 Principal of AHCC was the Accounting Officer until he resigned with effect from 31 March 2018, at which point the Accounting Officer role was undertaken by the Head of Saint Mary's Catholic Primary.

The principal activity of the Academy Trust is the provision of education.

**b. Members' liability**

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

**c. 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 the Holy Family of Nazareth Catholic Academy Trust. 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 (including the Executive Principal and the Principals).
- A minimum of 5 Foundation Directors 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 (Excluding Foundation Directors and Academy Directors).
- The chairman of each Local Governing Body shall be an Academy Director for as long as he remains in office and appointed by the Directors of the Company but they shall appoint as the chairman of a Local Governing Body someone other than the Executive Principal.
- The Principal of the Academy for as long as he or she remains in office.
- The Executive Principal for as long as he or she remains in office.
- A minimum of 2 Parent Directors.
- Staff Directors - 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 he thinks fit.

The term of office for all Directors (with the exception of the Principal) is 4 years. Any Director may be re appointed or re elected.

During the year under review the Multi Academy Trust held 5 meetings and the LGBs had a total of 23 meetings.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. Policies and procedures adopted for the induction and training of Trustees**

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 One Education for governance support and they 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

**e. Pay policy for key management personnel**

The MAT 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.

**f. 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 Principal / Head and Business Manager that it complies with financial regulations. The Accounting Officer role is undertaken by one of the Principal /Heads within the Trust.

The Governing Body recognises that it would be impractical to undertake all the 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 Principal 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**

Tony Billings – Principal (resigned with effect from 31 March 2018 and replaced by Peter Nickson as Acting Principal)

Ann Marie Connor – Head of Training and School to School Support and Deputy Principal (resigned with effect from 31 March 2018)

Peter Nickson – Head of College and Deputy Principal (from 1 April 2018 to 31 August 2018)

Martin Blades – Head of Inclusion and Assistant Principal

Michelle Garvey – Head of Sixth Form and Assistant Principal

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

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St Alban's Catholic Primary School

Teresa Cooke – Head  
Jackie Summers – Assistant Head (SENCO)  
Laura Eddowes – Assistant Head (SENCO)  
Julie Agar – School Business Manager

Saint Mary's Catholic Primary School

Sacha Humphries – Head (resigned 31 August 2018)  
Linda Thomas – Deputy Head  
Hannah Bloor – Senior Leader (SENCO)  
Natalie Small – Senior Leader (Assessment & Monitoring)

St. Paul's Catholic Primary School

Nora Armstrong-Boyle – Head  
Rachel Price-Uden – Deputy Headteacher  
Catherine Smith – Deputy Headteacher  
Debbie Wood – School Business Manager  
Sue Poirrette – SENCO

**g. Connected organisations, including related party relationships**

The first relationship of the Holy Family of Nazareth Catholic Academy Trust (HFN) 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 four AHLC schools which have converted to academies within HFN: All Hallows Catholic College, St Alban's (Macclesfield), St Mary's (Congleton) and St Paul's (Poynton).

The remaining schools in AHLC are St Benedict's (Handforth), Christ the King\* (Macclesfield, Moss Rose), St Gregory's (Bollington) and St John the Evangelist\* (Macclesfield). [\*Special arrangements for conversion would need to be considered at inter diocesan level for the two schools which are connected to the Anglican Church tradition, should they wish to join HFN.]

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 has a number of connected organisations and relationships which mean the College is working with an extended range of schools on school to school support and staff training:

All Hallows was designated by the National College for Teaching and Learning as a National Support School in July 2013, and with the outgoing Principal in the role of a National Leader of Education, the College became a Teaching School in March 2016 and established the Romero Teaching School Alliance. As such the college provides support and guidance to other educational establishments, training for teachers, support staff and leaders. Most recently the Romero Teaching School Alliance has supported SS John Fisher & Thomas More in Wythenshawe and Christ the King Catholic and Church of England Primary in Macclesfield, providing support to leaders and helping to improve teaching and learning.

St Alban's, Saint Mary's and St Paul's are strategic partners of the Romero Teaching School Alliance. In addition, St Alban's is a strategic partner in the Aspirer Teaching School Alliance and also has Leading Partnership status with Manchester Metropolitan University. St Paul's is a partner with Manchester Metropolitan University for Initial Teacher Training and also works in partnership with the PDA (Poynton, Disley, Adlington) partnership of schools. Saint Mary's was also designated as a National Support School in April 2018.

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

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**h. Trustees' indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

**i. Risk management**

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 MAT 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 Finance & Resources Committee. 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; and (e) appointment of key personnel to lead the MAT going forwards. In order to mitigate these key risks, the MAT Board has established an Executive Finance Committee, which meets monthly to review the Management Accounts of the Trust and approve any changes to staffing. In terms of the appointment of key personnel, the MAT Board has successfully appointed a CFO who will take up post on 1st March 2019. The MAT Board continues to seek support from the Diocese of Shrewsbury to secure the appointment of a CEO.

**Strategic report**

**Objectives and Activities**

**a. Objects and aims**

All Hallows became an Academy within a Multi academy trust framework in order to strengthen the effectiveness of the Catholic Church in education and to respond to the DfE invitation to support other schools in academy conversion. The Multi-academy trust currently has four member schools. All Hallows will also work with the Diocese and consider sponsoring other Catholic schools to becoming academies if the need arises.

**b. Objectives, strategies and activities**

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 to 19 with an emphasis on the Christian formation and education of the whole child. All Hallows uses its original specialisms of Business and Enterprise and Languages to further these aims through a clear ethical stance based in the social teaching of the Church.

**Equal Opportunities Policy**

Trustees recognise that equal opportunities should be an integral part of good practice in the workplace, which is reflected in the Trust's Equal Opportunities Policy. 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 ensuring there are appropriate adjustments for people with a physical disability.

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

**Achievements and Performance**

The HFN Catholic academy trust, in its fifth academic year of operation, has four 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.

All four schools within the Holy Family of Nazareth Catholic Academy Trust were graded as "Outstanding" in their last Ofsted inspections. Provisional results for 2018 are as follows:

KS2	Saint Alban's Catholic Primary	Saint Mary's Catholic Primary	Saint Paul's Catholic Primary	National Average
Reading Progress	0.9 (average)	4.1 (well above)	0.3 (average)	-
Writing Progress	-0.9 (average)	0.9 (average)	0.0 (average)	-
Maths Progress	-0.1 (average)	3.3 (well above average)	-0.4 (average)	-
% RWM combined (expected standard)	69	72	71	64
% RWM combined (higher standard)	12	14	21	10
Average Score Reading	107	108.9	108	105
Average Score Maths	106	107	106	104

KS4	All Hallows Catholic College	Local Authority Average	National Average
Progress 8	0.36 (above average)	-	-
Attainment 8	52.6	48.7	44.3
Grade 5 or above in Maths and English	53.0%	47.7%	39.9%
Entering EBacc	74%	32%	35.1%
EBacc average point score	4.72	4.17	3.83
Staying in education or entering employment	95%	95%	94%

KS5	All Hallows Catholic College	Local Authority Average	National Average
% of students attaining A*	7.3	7.4	8.7
% of students attaining A*-A	37.6	24.8	26.3
% of students attaining A*-B	72.3	51.2	52.0

**c. Plans for future periods**

Each of the schools sets its priorities, and the activities that flow from them to ensure that excellent standards are maintained and attainment continues to rise across the Trust. The key priorities for each school are as follows

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

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**All Hallows Catholic College**

- To close the gap between disadvantaged and non-disadvantaged learners across all Key Stages;
- Stretch & challenge at KS5
- Key marginal students at KS4 (Grades 4 to 5 and 8 to 9)
- To review curriculum and staffing structure to ensure the curriculum offer is broad and balanced, whilst operating within budget.
- To ensure compliance in all aspects of GDPR so that robust systems are in place to minimise risk.

**St Alban's Catholic Primary School**

- To continue to develop and promote the Catholic ethos of St Alban's
- To continue to embed a Maths Master approach throughout the school
- To continue to embed the Primary Writing approach throughout the school
- To ensure that overall attendance is at least 97% by July 2018
- To continue to develop a broad and balanced curriculum

**Saint Mary's Catholic Primary School**

- To implement Read, Write Inc. Literacy & Language Programme to raise achievement in writing from Year 2 to Year 6;
- To identify ways in which to accelerate progress of pupil premium children in mathematics;
- To appoint a substantive headteacher following the resignation of Mrs S Humphries with effect from 31 August 2018; and
- To review staffing structure with regards to the school's business, finance and administrative function to ensure the school is resourced adequately in this area.

**St Paul's Catholic Primary School**

- To ensure compliance in all aspects of GDPR so that robust systems are in place to minimise risk.
- Ensure pupils have a secure understanding of how to keep themselves healthy, both emotionally, mentally and physically.
- Ensure that progress scores from Key Stage 1 to Key Stage 2 are positive for reading, writing and mathematics.
- Demonstrate that outcomes for pupils at the end of KS2 evidence the vast majority of pupils, without a special educational need, are making at least expected progress, with increasing proportions of pupils making more than expected progress from their starting points.
- Increase the proportion of pupils in EYFS achieving at least expected in CLL (Communication, Language and Literacy), particularly Listening and Attention

**d. 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.

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

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**e. Programme related investment**

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**

The support of a Clinic and Community Building project in Varusanadu, a mountain village in Tamil Nadu, South India. Almost £10,000 was raised in the year to 31 August 2018 through the College's fundraising activities, a measure of an outward and socially conscious school where staff and students appreciate their relationship to others in a global community. The College has an ongoing commitment to support the clinic in India and this is the major focus of its fundraising activity. Staff and students visit the clinic every two years to see the works that have been carried out, to strengthen relationships and to offer practical support.

As well as the India project the College also supports other local, national and international social enterprise programmes, including Silk-Life Foodbank, The Booth Centre for the Homeless in Manchester, CARITAS, CAFOD, and East Cheshire Hospice.

**St Alban's Catholic Primary School**

All pupils are encouraged to take responsibility and be fully involved in the school community – Head Boy and Head Girl, Year 6 Prefects, School Council, House Captains and Vice Captains, E-Safety Officers, Eco-Council, Recycling Officers and Reading Buddies, Sport News Reporters and GIFT team (Growing in Faith Together). Our children have much involvement in St Alban's Parish and the wider community. Some examples are Christmas Carol Service at local Nursing Homes and Macclesfield Hospital, Sacramental Programme preparations, CAFOD, Mission Together, Good Shepherd Fund, Operation Christmas Child, RNLI, NSPCC, Poppy Appeal, Age UK, East Cheshire Hospice, Macclesfield Care and Concern Homeless Project, Salvation Army, Cheshire East Recycling, Fair Trade Fortnight, Down Syndrome Association, Cancer Research UK, Children in Need and Time 2 Change ethical business initiative.

**Saint Mary's Catholic Primary School**

The pupils at Saint Mary's Catholic Primary School demonstrate their social conscience through the high number of fund raising activities which they organise each year. In 2017 to 2018, the school raised money for a number of charities including St Vincent de Paul's, Cancer Research UK, East Cheshire Hospice and Children with Cancer UK. They also supported Vision Aid and LOL Foundation by appealing for old pairs of glasses and adults clothes to donate to these 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.

**St Paul's Catholic Primary School**

St Paul's has very strong, personal links with three main settings: St James' Orphanage School in Uganda which we raise money to build a water pump, exam rooms, tables, a medical centre and latrines; Starehe Boys and Starehe Girls Schools in Kenya (supported by the Martin Donaldson Trust) who visit us bi-annually. We also regularly support charities linked with causes which have touched children's lives in our school; Click Sargent, Ollie's Army, Jeans for Genes, Down Syndrome Association, Corner Stone, Macmillan Cancer Support, Mary's Meals and the British Red Cross. Mini-Vinnies, Mission Together, British Legion and CAFOD fundraising run throughout the year.

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

**Achievements and performance**

**a. Key performance indicators**

Staff Costs as a percentage of total DfE income:

	2018		2017	
	Budget	Actual	Budget	Actual
Teaching	65%	64%	65%	64%
Education Support	11%	12%	11%	12%
Other Support	12%	11%	12%	11%

Expenditure on Direct Educational Supplies & Services per student: £299 (2017: £381)

**b. Review of activities**

During the year ended 31 August 2018, total expenditure of £10,047,339 (2017: £10,708,458) 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 £88,546 prior to actuarial gains on defined benefit pension scheme (2017: £654,241 deficit).

At 31 August 2018 the net book value of fixed assets was £1,090,813 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academies within the Trust.

The company shows the deficit in relation to its staff in the Local Government Pension Scheme (LGPS) in its balance sheet. This deficit totalled £2,022,000 at 31st August 2018 (2017: £2,269,000).

The Academy held fund balances at 31 August 2018 of £23,357 deficit comprising £1,623,916 deficit of restricted funds (including £2,022,000 pension reserve deficit), £1,090,813 of restricted fixed asset funds and £509,746 of unrestricted funds.

Some of the academies within the Trust have been awarded a number of grants as follows:

- All Hallows was awarded £231,416 through the DfE from the CIF fund for window replacement. In addition, they were awarded £20,963 through the University of Manchester for the Confucius Classroom and £20,000 through UCL Institute of Education for The Mandarin Excellence Programme. In addition, the college was awarded £56,000 as a NCTL grant through the DfE.
- St Alban's secured funding from the Healthy Pupils Capital Fund, they were awarded £126,220 for playground resurfacing.
- Saint Mary's was awarded £47,235 through the DfE Condition Improvement Fund (CIF) to replace the roof over the Reception Classroom.

**c. Investment policy and performance**

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Financial review**

**a. 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.

**b. 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 MAT 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 Finance & Resources Committee. 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; and (e) appointment of key personnel to lead the MAT going forwards. In order to mitigate these key risks, the MAT Board has established an Executive Finance Committee, which meets monthly to review the Management Accounts of the Trust and approve any changes to staffing. In terms of the appointment of key personnel, the MAT Board has successfully appointed a CFO who will take up post on 1st March 2019. The MAT Board continues to seek support from the Diocese of Shrewsbury to secure the appointment of a CEO.

**c. 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 periodically. 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.

At 31 August 2018, the Trust held fund balances of £23,357 deficit (2017: £575,903 deficit) comprising £398,085 (2017: £4,275) restricted general fund, £1,090,813 (2017: £1,151,825) of Fixed Asset Funds, a Pensions Reserve Deficit of £2,022,000 (2017: £2,269,000) and £509,746 (2017: £536,997) of Unrestricted General Funds.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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Fund Balances held by each Academy at 31 August 2018 were:

<b>Academy</b>	<b>Fund Balances</b>
All Hallows Catholic College	£112,222
St Alban's Catholic Primary	£342,911
Saint Mary's Catholic Primary	£302,324
St Paul's Catholic Primary	£150,373
Trust Central	-
<b>Trust Total</b>	<b>£907,830</b>

**d. Principal funding**

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

All of the grants receivable from the ESFA and the LA during the year to 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

**Plans for future periods**

**a. Future developments**

Going forwards, the priority of the Holy Family of Nazareth Catholic Academy Trust is to recruit key personnel to lead and develop the Trust to ensure its future success. The Trust has already secured the appointment of a permanent Chief Financial Officer, who will commence employment in Spring 2019. Alongside, this appointment, the Trust wishes to appoint a Chief Executive Officer and move away from the current governance structure whereby a substance Principal/Head assumes responsibility for the Executive Director role. During the forthcoming year, the Trust will also consider amending its Scheme of Delegation to a model which is more explicit in terms of the responsibilities of the different stakeholders e.g. Principal/Heads, LGB, CEO & MAT Board. Longer term, the Trust remains open to growth should other schools within the All Hallows Learning Community decide to become academies.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~18/12/18~~ and signed on its behalf by:



.....  
**Mr J Kalnins**  
**Chair of Trustees**

---

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A S Billings	2	2
Mr P Nickson	2	3
Mrs J M Feely	4	5
Mrs N Armstrong-Boyle	5	5
Mr J Kalnins	3	5
Mr S Robinson	1	1
Mrs T M Cooke	5	5
Mr B Hennessey	5	5
Mrs S Humphries	5	5
Mrs C M Ingram	5	5
Mrs H E Knight	4	5
Mr D Cunningham	1	2
Mr S W Gachuhi	0	5
Reverend D J Roberts	1	1
Mr P Collins	1	1
Mrs R Stuart-Buttle	0	1
Mr P P Weston	1	1
Mrs A M Connor	0	0
Mrs A Heaton	0	0

During the year, Mrs H E Knight was appointed Chair of the Board and Mr J Kalnins as Vice Chair. At the meeting of 17 July 2018, Mr P Weston was appointed as the new Chair of the Board. He subsequently resigned on 3rd October 2018 and was succeeded by Mr J Kalnins as Chair of Trustees.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The Finance and Resources committee is a sub-committee of the main MAT 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 4 times during the year ended 31 August 2018.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Hennessy	3	3
Mrs S Humphries	4	4
Mrs C M Ingram	4	4
Mr J Kalnins	1	4
Mrs H E Knight	4	4
Mrs S W Gachuhi	2	4

**Review of Value for Money**

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

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

- Appointing a Family Service Worker to work across all four academies in the Trust;
- Appointing auditors to ensure VAT is properly accounted for and recovered.
- Restructuring trust finance to accommodate Chief Executive Officer and Chief Finance Officer positions during the subsequent financial year;
- Developing the Combined Schools Standards and Key Performance Indicators Report, which includes sections on Finance & Human Resource KPI to allow academies to benchmark against each other, as well against national norms;
- Creating an Executive Finance Committee to monitor finance across the Trust on a monthly basis, including scrutiny of staffing decisions, monitoring expenditure vs budget, debtors/creditors and cashflow;
- Updating the Trust's Financial Handbook to ensure internal financial controls are effective and complied with; and
- Appointing auditors to ensure VAT is properly accounted for and recovered.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Holy Family of Nazareth Catholic Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

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

The Risk and Control Framework is still under review following the expansion of the Trust. Financial procedures continue to be updated and the internal audit function will be adapted to match the needs of the larger group.

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

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

- Testing of purchases systems

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 an internal audit in Summer Term 2018, during which the focus was on the testing of purchase systems. The findings of the report were presented to the Trust Board in November 2018. The schedule of work was delivered as planned by Dains. There were no significant changes needing to be addressed immediately by the Trust. Amongst their findings, it was noted that the system requirements and controls regarding charge card purchases differs in the primary schools in comparison to All Hallows Catholic College, as purchase orders are not required to be raised for card purchases in all cases. It is recommended, therefore, that the Academy Trust adopts a consistent approach across all of the schools in the Trust. The Trust supports and is adopting the auditors' recommendations.

On an annual basis, the auditor reports to the board of trustees through the finance and resource committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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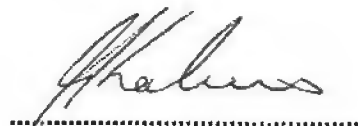
**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 18/12/18 and signed on their behalf, by:



.....  
**Mr J Kalnins**  
**Chair of Trustees**



.....  
**Mrs S Humphries**  
**Accounting Officer**

---

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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:

**Procurement**

A significant new service contract was entered into during the year, which required a formal tendering process and Academy Finance Committee approval in accordance with the Academy Trust's financial procedures. However, no such tender process occurred and no Committee approval was sought.

**Gifts policy**

The Academy Trust made gifts, rewards and prizes during the year which were in breach of its policy for gifts and hospitality.

**Publishing information about governance structures**

Whilst the Academy Trust has published on its websites the majority of the items of governance arrangements as required by the Financial Handbook some items have not been published.

**Accounting officer letter**

The 'Dear Accounting Officer' from the ESFA's accounting officer has not been shared with the members or trustees.

**Novel, contentious and repercussive transactions**

A small number of low value transactions have been identified that could potentially be considered by the public to be contentious.

  
.....  
**Mrs S Humphries**  
Accounting Officer

18/12/2018 .

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

---

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 18/12/18 and signed on its behalf by:



.....  
**Mr J Kalnins**  
Chair of Trustees

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

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

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

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

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

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

**Use of our report**

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

*M. Mitten Clarke Audit Limited*

Ashley M Conway (Senior statutory auditor)  
for and on behalf of  
**Mitten Clarke Audit Limited, Statutory Auditor**  
Chartered Accountants  
The Glades  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5SQ

Date:

*18/12/2018 .*

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Holy Family of Nazareth Catholic Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Holy Family of Nazareth Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Holy Family of Nazareth Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Holy Family of Nazareth Catholic Academy Trust and the 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 Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE HOLY  
FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING  
AGENCY (continued)**

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The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Officer and Governing Body;
- tests of control have been carried out on control activities which are relevant to regularity; and
- on a sample basis, substantive testing of individual transactions.

**Conclusion**

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Procurement**

A significant new service contract was entered into during the year, which required a formal tendering process and Academy Finance Committee approval in accordance with the Academy Trust's financial procedures. However, no such tender process occurred and no Committee approval was sought.

**Gifts policy**

The Academy Trust made gifts, rewards and prizes during the year which were in breach of its policy for gifts and hospitality.

**Publishing information about governance structures**

Whilst the Academy Trust has published on its websites the majority of the items of governance arrangements as required by the Financial Handbook some items have not been published.

**Accounting officer letter**

The 'Dear Accounting Officer' from the ESFA's accounting officer has not been shared with the members or trustees.

**Novel, contentious and repercussive transactions**

A small number of low value transactions have been identified that could potentially be considered by the public to be contentious.

*Mitten Clarke Audit Limited*

**Mitten Clarke Audit Limited**  
Chartered Accountants  
The Glades  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5SQ

Date: 18/12/2018 .

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	1,152	543,095	55,244	599,491	211,649
Charitable activities:	3					
Funding for the academy trust's educational operations		36,985	9,010,352	-	9,047,337	9,210,234
Teaching school		60,244	63,400	-	123,644	102,350
Other trading activities	4	285,955	77,936	-	363,891	528,089
Investments	5	1,522	-	-	1,522	1,895
<b>TOTAL INCOME</b>		<b>385,858</b>	<b>9,694,783</b>	<b>55,244</b>	<b>10,135,885</b>	<b>10,054,217</b>
<b>EXPENDITURE ON:</b>						
Raising funds	7	17,797	2,560	-	20,357	78,829
Charitable activities:						
Academy trust's educational operations	7	-	9,664,499	130,071	9,794,570	10,416,907
Teaching school	7	33,038	56,000	-	89,038	73,615
Other expenditure	6	-	143,374	-	143,374	139,107
<b>TOTAL EXPENDITURE</b>		<b>50,835</b>	<b>9,866,433</b>	<b>130,071</b>	<b>10,047,339</b>	<b>10,708,458</b>
<b>NET BEFORE TRANSFERS</b>		<b>335,023</b>	<b>(171,650)</b>	<b>(74,827)</b>	<b>88,546</b>	<b>(654,241)</b>
Transfers between Funds	18	(362,274)	348,459	13,815	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(27,251)</b>	<b>176,809</b>	<b>(61,012)</b>	<b>88,546</b>	<b>(654,241)</b>
Actuarial gains on defined benefit pension schemes	22	464,000	-	-	464,000	985,000
<b>NET MOVEMENT IN FUNDS</b>		<b>436,749</b>	<b>176,809</b>	<b>(61,012)</b>	<b>552,546</b>	<b>330,759</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		536,997	(2,264,725)	1,151,825	(575,903)	(906,662)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>973,746</b>	<b>(2,087,916)</b>	<b>1,090,813</b>	<b>(23,357)</b>	<b>(575,903)</b>

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**

(A company limited by guarantee)  
REGISTERED NUMBER: 08307881

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		1,090,813		1,151,825
<b>CURRENT ASSETS</b>					
Debtors	15	363,562		427,309	
Cash at bank and in hand		1,166,619		1,037,832	
		<u>1,530,181</u>		<u>1,465,141</u>	
<b>CREDITORS: amounts falling due within one year</b>	16		<u>(622,351)</u>		<u>(923,869)</u>
<b>NET CURRENT ASSETS</b>			<u>907,830</u>		<u>541,272</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,998,643</u>		<u>1,693,097</u>
Defined benefit pension scheme liability	22		<u>(2,022,000)</u>		<u>(2,269,000)</u>
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES</b>			<u>(23,357)</u>		<u>(575,903)</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	398,084		4,275	
Restricted fixed asset funds	18	1,090,813		1,151,825	
Restricted income funds excluding pension liability		1,488,897		1,156,100	
Pension reserve		<u>(2,022,000)</u>		<u>(2,269,000)</u>	
Total restricted income funds			<u>(533,103)</u>		<u>(1,112,900)</u>
Unrestricted income funds	18		<u>509,746</u>		<u>536,997</u>
<b>TOTAL DEFICIT</b>			<u>(23,357)</u>		<u>(575,903)</u>

The financial statements on pages 26 to 57 were approved by the Trustees, and authorised for issue, on 18/12/2018 and are signed on their behalf, by:

  
.....  
**Mr J Kalnins**  
Chair of Trustees

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<u>(250,782)</u>	<u>(244,370)</u>
<b>Cash flows from investing activities:</b>			
Interest received		1,522	1,895
Purchase of tangible fixed assets		(69,059)	(127,374)
Capital grants from DfE Group		447,106	39,024
<b>Net cash provided by/(used in) investing activities</b>		<u>379,569</u>	<u>(86,455)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>128,787</b>	<b>(330,825)</b>
Cash and cash equivalents brought forward		<u>1,037,832</u>	<u>1,368,657</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,166,619</u></u>	<u><u>1,037,832</u></u>

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP 2015), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Holy Family of Nazareth Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. In making this assessment the Trustees have considered the Trust's five year forecast which has been prepared using the best available information at this time. The forecast demonstrates that the Academy Trust has adequate resources to continue in operational existence and has forecast surplus funds through to 2023. The Trustees have concluded that there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. 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 grant are reflected in the balance sheet in restricted general funds or restricted fixed asset funds, as appropriate.

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

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**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 allocated on the portion of the asset's use.

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

L/Term Leasehold land	-	125 years straight line
L/Term Leasehold improvements	-	50 years straight line
Furniture and fixtures	-	4 years straight line
Computer equipment	-	3 years straight line

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

The Trust also occupies property held under church supplemental agreements 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 fixed assets have been recognised in these financial statements.

**1.7 Operating leases**

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

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Financial instruments**

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

*Financial assets* - trade debtors are basic financial instruments. Debt instruments measured at amortised cost are detailed in note 18. 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 are financial instruments. Debt instruments measured at amortised cost are detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 Taxation**

The 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 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.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.15 Fund accounting**

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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 in other costs in the statement of financial activities.

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,152	1,636	-	2,788	40,745
Capital Grants	-	541,459	55,244	596,703	170,904
	<u>1,152</u>	<u>543,095</u>	<u>55,244</u>	<u>599,491</u>	<u>211,649</u>
<i>Total 2017</i>	<u>11,859</u>	<u>112,045</u>	<u>87,745</u>	<u>211,649</u>	

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	8,047,138	8,047,138	8,121,633
Start Up Grants	-	-	-	15,117
Other DfE/ESFA Grants	-	485,982	485,982	485,628
National college grants (within 'Teaching school income')	-	56,000	56,000	64,275
	<u>-</u>	<u>8,589,120</u>	<u>8,589,120</u>	<u>8,686,653</u>
<b>Other government grants</b>				
SEN	-	209,705	209,705	254,373
Other grant income	-	24,230	24,230	17,384
	<u>-</u>	<u>233,935</u>	<u>233,935</u>	<u>271,757</u>
<b>Other funding</b>				
Other funding from the academy trust's educational operations	36,985	243,297	280,282	316,099
Other teaching school income	60,244	7,400	67,644	38,075
	<u>97,229</u>	<u>250,697</u>	<u>347,926</u>	<u>354,174</u>
	<u>97,229</u>	<u>9,073,752</u>	<u>9,170,981</u>	<u>9,312,584</u>
<i>Total 2017</i>	<u>89,671</u>	<u>9,222,913</u>	<u>9,312,584</u>	

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	220,611	77,936	298,547	450,106
Lettings income	65,344	-	65,344	77,983
	<u>285,955</u>	<u>77,936</u>	<u>363,891</u>	<u>528,089</u>
<i>Total 2017</i>	<u>435,570</u>	<u>92,519</u>	<u>528,089</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest receivable	1,522	-	1,522	1,895
<i>Total 2017</i>	<u>1,895</u>	<u>-</u>	<u>1,895</u>	

**6. OTHER EXPENDITURE**

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	143,374	143,374	139,107
<i>Total 2017</i>	<u>139,107</u>	<u>139,107</u>	

Donations includes expenditure on property held under supplemental agreements.

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	-	-	20,357	20,357	78,829
Academy's educational operations:					
Direct costs	6,478,724	130,071	577,380	7,186,175	7,575,525
Support costs	1,023,403	377,350	1,207,642	2,608,395	2,841,381
Teaching school:					
Direct costs	37,810	-	27,314	65,124	56,123
Support costs	16,510	-	7,404	23,914	17,493
	<u>7,556,447</u>	<u>507,421</u>	<u>1,840,097</u>	<u>9,903,965</u>	<u>10,569,351</u>
<i>Total 2017</i>	<u>7,802,369</u>	<u>215,030</u>	<u>2,551,952</u>	<u>10,569,351</u>	

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations	7,186,175	2,608,395	9,794,570	10,416,906
Teaching school	65,124	23,914	89,038	73,616
<b>Total 2018</b>	<u>7,251,299</u>	<u>2,632,309</u>	<u>9,883,608</u>	<u>10,490,522</u>
<i>Total 2017</i>	<u>7,631,648</u>	<u>2,858,874</u>	<u>10,490,522</u>	

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of direct costs**

	Academy's educational operations £	Teaching school £	Total 2018 £	Total 2017 £
Educational supplies	550,166	5,172	555,338	709,209
Staff development	27,215	22,142	49,357	61,617
Wages and salaries	5,139,824	34,319	5,174,143	5,334,758
National insurance	486,898	3,491	490,389	496,155
Pension cost	852,001	-	852,001	867,319
Depreciation	130,071	-	130,071	162,590
	<u>7,186,175</u>	<u>65,124</u>	<u>7,251,299</u>	<u>7,631,648</u>
<i>At 31 August 2017</i>	<u>7,575,525</u>	<u>56,123</u>	<u>7,631,648</u>	

**Analysis of support costs**

	Academy's educational operations £	Teaching school £	Total 2018 £	Total 2017 £
Pension scheme interest cost	58,000	-	58,000	62,000
Staff costs	1,023,404	16,510	1,039,914	1,104,137
Depreciation	-	-	-	8,557
Legal and professional	54,032	5,495	59,527	25,892
Maintenance of premises and equipment	134,798	-	134,798	139,882
Catering	149,357	207	149,564	179,373
Technology costs	139,098	-	139,098	77,737
Cleaning	145,473	-	145,473	124,461
Rent and rates	91,595	-	91,595	129,768
Insurance	66,596	-	66,596	70,291
Transport and security	149,759	-	149,759	159,479
Energy costs	84,361	-	84,361	133,990
School trips	241,086	-	241,086	327,445
Other support costs	239,220	1,702	240,922	312,202
Governance costs	31,616	-	31,616	3,660
	<u>2,608,395</u>	<u>23,914</u>	<u>2,632,309</u>	<u>2,858,874</u>
<i>At 31 August 2017</i>	<u>2,841,381</u>	<u>17,493</u>	<u>2,858,874</u>	

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THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018

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9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of:		
- tangible fixed assets	130,071	171,146
Auditors' remuneration - audit	9,500	9,500
Auditors' remuneration - other services	10,050	10,050
Operating lease rentals	31,477	26,419
	<u>181,100</u>	<u>217,115</u>

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,668,037	5,841,303
Social security costs	535,568	546,816
Operating costs of defined benefit pension schemes	1,160,463	1,173,351
	<u>7,364,068</u>	<u>7,561,470</u>
Agency costs	192,379	232,595
Staff restructuring costs	-	8,304
	<u>7,556,447</u>	<u>7,802,369</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	-	8,304

**b. Non-statutory/non-contractual staff severance payments**

There were no non-statutory/non-contractual severance payments made by the trust during the year.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	112	126
Administration and support	114	112
Management	11	8
	<u>237</u>	<u>246</u>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	0
In the band £120,000 - £130,000	0	1

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS (continued)**

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £445,267 (2017: £504,621).

**11. CENTRAL SERVICES**

The academy charges for these services on the following basis:

During the year, the Trust implemented a policy of charging each school 3.0% of its General Annual Grant to cover central services. The service supplied include financial and legal support, clerking services, financial software and audit services. In addition, amounts are charged in respect of certain members of the finance team who work across the Trust. The Trust continues to work on its model for charging of central services and as more services are charged from the centre over time, the central charge will be reviewed periodically and adjusted over time.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
St Alban's Catholic Primary School	35,386	16,943
St Mary's Catholic Primary School	21,973	11,077
St Paul's Catholic Primary	15,018	7,459
All Hallows Catholic College	169,374	86,146
Total	<u>241,751</u>	<u>121,625</u>

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
Mr A S Billings	Remuneration	75,000-80,000	120,000-125,000
	Pension contributions paid	10,000-15,000	20,000-25,000
Mrs A Heaton	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
Mrs A M Connor	Remuneration	20,000-25,000	55,000-60,000
	Pension contributions paid	0-5,000	0-5,000
Mrs N Armstrong-Boyle	Remuneration	55,000-60,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs T M Cooke	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mrs S Humphries	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mr P Nickson	Remuneration	35,000-40,000	N/a
	Pension contributions paid	5,000-10,000	N/a

During the year ended 31 August 2018, Trustees received a total of £827 in reimbursement of expenses (2017 - £327).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £2,125 (2017 - £2,125).

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**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	1,004,461	315,216	664,922	1,984,599
Additions	31,379	13,833	23,847	69,059
At 31 August 2018	<u>1,035,840</u>	<u>329,049</u>	<u>688,769</u>	<u>2,053,658</u>
<b>Depreciation</b>				
At 1 September 2017	74,243	271,868	486,663	832,774
Charge for the year	8,255	26,473	95,343	130,071
At 31 August 2018	<u>82,498</u>	<u>298,341</u>	<u>582,006</u>	<u>962,845</u>
<b>Net book value</b>				
At 31 August 2018	<u>953,342</u>	<u>30,708</u>	<u>106,763</u>	<u>1,090,813</u>
At 31 August 2017	<u>930,218</u>	<u>43,348</u>	<u>178,259</u>	<u>1,151,825</u>

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	55,946	161,512
Other debtors	98,423	85,818
Prepayments and accrued income	209,193	179,979
	<u>363,562</u>	<u>427,309</u>

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

	2018 £	2017 £
Trade creditors	161,001	287,584
Other taxation and social security	125,693	140,296
Other creditors	159,046	144,510
Accruals and deferred income	176,811	351,479
	<u>622,351</u>	<u>923,869</u>

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

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	243,928	238,097
Resources deferred during the year	111,474	243,928
Amounts released from previous years	(243,928)	(238,097)
	111,474	243,928
Deferred income at 31 August 2018	111,474	243,928

Creditors includes £111,474 (2017: £243,928) of income which has been deferred into the following year due to the timing of the Trust's entitlement to the income. There are no unfulfilled conditions attached to this income at the balance sheet date. This includes the following balances in respect of restricted funds:

	2018 £	2017 £
NSS Bursary	6,000	-
UIFSM	62,965	62,456
Secondment income	4,000	-
DFC	-	7,454
Sports Grant	19,647	-
CIF	-	119,578
SEN	-	54,440
Rates relief	2,775	-
Other	16,087	-
	111,474	243,928
Total	111,474	243,928

**17. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at amortised cost	55,946	161,512
Financial liabilities measured at amortised cost	161,001	287,584

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors.

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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Designated Funds	40,000	-	-	-	-	40,000
<b>General funds</b>						
General Funds	496,997	385,858	(50,835)	(362,274)	-	469,746
Total Unrestricted funds	536,997	385,858	(50,835)	(362,274)	-	509,746
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	8,047,138	(8,047,138)	-	-	-
Other DfE/ESFA Grants	4,275	1,024,837	(631,028)	-	-	398,084
Other income	-	622,808	(971,267)	348,459	-	-
Pension reserve	(2,269,000)	-	(217,000)	-	464,000	(2,022,000)
	(2,264,725)	9,694,783	(9,866,433)	348,459	464,000	(1,623,916)
<b>Restricted fixed asset funds</b>						
Land and buildings	930,218	-	(8,255)	-	-	921,963
General fixed asset fund	221,607	55,244	(121,816)	13,815	-	168,850
	1,151,825	55,244	(130,071)	13,815	-	1,090,813
Total restricted funds	(1,112,900)	9,750,027	(9,996,504)	362,274	464,000	(533,103)
Total of funds	(575,903)	10,135,885	(10,047,339)	-	464,000	(23,357)

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

The General Annual Grant (GAG) fund is for the charitable purposes of the Trust and applied under the ESFA guidance.

Other DfE/ESFA grants are grants from the DfE and ESFA which are not the GAG but are used for the charitable purposes of the Trust. The amount carried forward relates to CIF grant income and will be spent on capital projects in the next year.

Other income relates to miscellaneous income received including school to school support income and hire of facilities.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

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

Restricted fixed asset fund relates to fixed assets purchased or inherited less depreciation.

Transfers between the unrestricted general fund and the restricted fixed asset fund relates to the purchase of fixed assets for educational purposes.

Transfers between unrestricted general funds and restricted general funds relates to charitable expenditure in excess of related income.

Under the funding agreement with the Secretary of State, the academies were not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
All Hallows Catholic College	112,222	91,276
St Alban's Catholic Primary School	342,911	106,247
St Mary's Catholic Primary School	302,324	214,961
St Paul's Catholic Primary	150,373	128,788
Total before fixed asset fund and pension reserve	<u>907,830</u>	<u>541,272</u>
Restricted fixed asset fund	1,090,813	1,151,825
Pension reserve	(2,022,000)	(2,269,000)
Total	<u>(23,357)</u>	<u>(575,903)</u>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
All Hallows Catholic College	4,648,043	528,654	553,759	1,124,531	6,854,987	7,413,151
St Alban's Catholic Primary School	844,281	147,847	110,339	193,419	1,295,886	1,343,273
St Mary's Catholic Primary School	646,308	100,576	79,059	120,071	946,014	904,275
St Paul's Catholic Primary School	377,901	103,836	35,922	85,720	603,379	656,613
	<u>6,516,533</u>	<u>880,913</u>	<u>779,079</u>	<u>1,523,741</u>	<u>9,700,266</u>	<u>10,317,312</u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Designated Funds	-	-	-	40,000	-	40,000
<b>General funds</b>						
General Funds	931,741	538,995	(88,299)	(885,440)	-	496,997
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	8,121,633	(8,927,443)	805,810	-	-
Other DfE/ESFA Grants	-	613,179	(608,904)	-	-	4,275
Other income	-	692,665	(692,665)	-	-	-
Pension reserve	(3,034,000)	-	(220,000)	-	985,000	(2,269,000)
	<u>(3,034,000)</u>	<u>9,427,477</u>	<u>(10,449,012)</u>	<u>805,810</u>	<u>985,000</u>	<u>(2,264,725)</u>
<b>Restricted fixed asset funds</b>						
Land and buildings	945,189	-	(14,971)	-	-	930,218
General fixed asset fund	250,408	87,745	(156,176)	39,630	-	221,607
	<u>1,195,597</u>	<u>87,745</u>	<u>(171,147)</u>	<u>39,630</u>	<u>-</u>	<u>1,151,825</u>
Total restricted funds	<u>(1,838,403)</u>	<u>9,515,222</u>	<u>(10,620,159)</u>	<u>845,440</u>	<u>985,000</u>	<u>(1,112,900)</u>
Total of funds	<u>(906,662)</u>	<u>10,054,217</u>	<u>(10,708,458)</u>	<u>-</u>	<u>985,000</u>	<u>(575,903)</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
Designated Funds	-	-	-	40,000	-	40,000
<b>General funds</b>						
General Funds	931,741	924,853	(139,134)	(1,247,714)	-	469,746
Total Unrestricted funds	931,741	924,853	(139,134)	(1,207,714)	-	509,746
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	16,168,771	(16,974,581)	805,810	-	-
Other DfE/ESFA Grants	-	1,638,016	(1,239,932)	-	-	398,084
Other income	-	1,315,473	(1,663,932)	348,459	-	-
Pension reserve	(3,034,000)	-	(437,000)	-	1,449,000	(2,022,000)
	(3,034,000)	19,122,260	(20,315,445)	1,154,269	1,449,000	(1,623,916)
<b>Restricted fixed asset funds</b>						
Land and buildings	945,189	-	(23,226)	-	-	921,963
General fixed asset fund	250,408	142,989	(277,992)	53,445	-	168,850
	1,195,597	142,989	(301,218)	53,445	-	1,090,813
	(1,838,403)	19,265,249	(20,616,663)	1,207,714	1,449,000	(533,103)
Total of funds	(906,662)	20,190,102	(20,755,797)	-	1,449,000	(23,357)

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,090,813	1,090,813
Current assets	509,746	1,020,435	-	1,530,181
Creditors due within one year	-	(622,351)	-	(622,351)
Provisions for liabilities and charges	-	(2,022,000)	-	(2,022,000)
	<u>509,746</u>	<u>(1,623,916)</u>	<u>1,090,813</u>	<u>(23,357)</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,151,825	1,151,825
Current assets	536,996	928,145	-	1,465,141
Creditors due within one year	-	(923,869)	-	(923,869)
Provisions for liabilities and charges	-	(2,269,000)	-	(2,269,000)
	<u>536,996</u>	<u>(2,264,724)</u>	<u>1,151,825</u>	<u>(575,903)</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	88,546	(654,241)
<b>Adjustment for:</b>		
Depreciation charges	130,071	171,146
Interest receivable	(1,522)	(1,895)
Decrease in debtors	104,233	94,085
Decrease in creditors	(192,405)	(34,441)
Capital grants from DfE and other capital income	(596,705)	(39,024)
Defined benefit pension scheme cost less contributions payable	159,000	158,000
Defined benefit pension scheme finance cost	58,000	62,000
<b>Net cash used in operating activities</b>	<u>(250,782)</u>	<u>(244,370)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	1,166,619	1,037,832
Total	<u>1,166,619</u>	<u>1,037,832</u>

**22. PENSION COMMITMENTS**

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

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

Contributions amounting to £118,535 were payable to the schemes at 31 August 2018 (2017 - 125,255) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**22. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £671,572 (2017 - £685,445).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £398,000 (2017 - £405,000), of which employer's contributions totalled £329,000 (2017 - £331,000) and employees' contributions totalled £69,000 (2017 - £74,000). The agreed contribution rates for future years are 23.8% for employers and 5.5% to 12.5% for employees.

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

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	2.50 %
Rate of increase in salaries	<b>2.70 %</b>	2.70 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.40 %

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>22.3</b>	22.3
Females	<b>24.5</b>	24.5
Retiring in 20 years		
Males	<b>23.9</b>	23.9
Females	<b>26.5</b>	26.5

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**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,018,000	1,837,000
Corporate bonds	1,061,000	830,000
Property	308,000	207,000
Cash and other liquid assets	34,000	89,000
<b>Total market value of assets</b>	<b>3,421,000</b>	<b>2,963,000</b>

The actual return on scheme assets was £72,000 (2017 - £389,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(488,000)	(489,000)
Interest income	78,000	48,000
Interest cost	(136,000)	(110,000)
<b>Total</b>	<b>(546,000)</b>	<b>(551,000)</b>

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

	2018 £	2017 £
Opening defined benefit obligation	5,232,000	5,227,000
Current service cost	488,000	489,000
Interest cost	136,000	110,000
Employee contributions	69,000	74,000
Actuarial gains	(392,000)	(596,000)
Benefits paid	(90,000)	(72,000)
<b>Closing defined benefit obligation</b>	<b>5,443,000</b>	<b>5,232,000</b>

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**22. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	2,963,000	2,193,000
Interest income	78,000	48,000
Actuarial gain	72,000	389,000
Employer contributions	329,000	331,000
Employee contributions	69,000	74,000
Benefits paid	(90,000)	(72,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>3,421,000</u>	<u>2,963,000</u>

**23. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	3,724	13,184
Between 1 and 5 years	5,583	924
	<hr/>	<hr/>
Total	<u>9,307</u>	<u>14,108</u>

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

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**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
(A company limited by guarantee)

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

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**25. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

During the year the Trust paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust of £40,057 (2017: £43,147).

Mr A S Billings, the Principal of All Hallows Catholic College and the Accounting Officer was also the executive Principal at St Paul's Catholic High School. The Trust provides services to St Paul's Catholic High School and during the year these amounted to £Nil (2017: £183,297). At the year end the amount owed by St Paul's Catholic High School was £Nil (2017: £44,025).

**26. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £13,628 and disbursed £6,513 from the fund. An amount of £7,115 is included in other creditors relating to undistributed funds that is repayable to ESFA.

**THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**27. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
NCTL grant	56,000		60,000	
<b>OTHER INCOME</b>				
Other income	67,644		42,350	
<b>TOTAL INCOME</b>		<b>123,644</b>		<b>102,350</b>
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	37,810		42,835	
Staff development	22,142		1,045	
Education supplies	5,172		12,243	
<b>OTHER EXPENDITURE</b>				
Support staff costs	16,510		15,500	
Legal and professional	5,495		-	
Other support costs	1,909		1,993	
<b>TOTAL EXPENDITURE</b>		<b>89,038</b>		<b>73,616</b>
<b>SURPLUS FROM ALL SOURCES</b>		<b>34,606</b>		<b>28,734</b>
<b>TEACHING SCHOOL BALANCES AT         1 SEPTEMBER 2017</b>		<b>28,734</b>		<b>-</b>
<b>TEACHING SCHOOL BALANCES AT         31 AUGUST 2018</b>		<b>63,340</b>		<b>28,734</b>