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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016

Members

Reverend D J Roberts
Mr A Scott (resigned 1 April 2016)
Bishop M Davies
Mr D J Cunningham (appointed 1 April 2016)
Mrs C Lawrence (appointed 1 April 2016)

Trustees

Mr A S Billings, Principal of All Hallows Catholic College
Mr J Daley
Mrs J M Feely, Chair of Governors at All Hallows Catholic College
Mrs A Heaton, Staff Governor
Mr T J Neill (resigned 31 August 2016)
Reverend D J Roberts
Mr A Scott (resigned 31 December 2015)
Mr D J Cunningham
Mrs N Armstrong-Boyle, Head of St Paul's Catholic Primary School
Mrs A M Connor, Chair of St Alban's Catholic Primary School
Mrs T M Cooke, Head of St Alban's Catholic Primary School
Mr S W Gachuhi, Foundation Governor
Mrs S Humphries, Head of St Mary's Catholic Primary School
Mrs C M Ingram, Chair of Saint Mary's Catholic Primary School
Mr N R Johnson, Foundation Governor (resigned 30 November 2016)
Mr J Kalnins, Chair of St Paul's Catholic Primary School
Mrs H E Knight, Foundation Governor and Chair of the Trust

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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Advisers (continued)

Company secretary

Mrs J Leigh (appointed 1 September 2014)

Accounting officer

Mr A S Billings

Senior management team

Mr A S Billings
Mrs A M Connor
Mrs N Armstrong-Boyle
Mrs T M Cooke
Mrs S Humphries
Mrs J Leigh

Independent auditors

Moore Stephens, 1 Lakeside, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, ST1 5RY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes 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 1,999 and a roll of 1,855 in the school census of Autumn 2016.

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 of The Holy Family of Nazareth Catholic Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Holy Family of Nazareth Catholic Academy Trust.

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 during 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: Local Governing Bodies (LGBs)
Level 3: Committees of the LGBs
Level 4: The Accounting Officer (Principal)

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. The Board of Directors is currently working on a revised governance structure of the Trust, which is expected to include new committees of the Trust and, in time, fewer committees of the LGBs. This should lead to clearer lines of governance, consistency across the Trust and greater efficiency.

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 LGB.

Governors are responsible for setting policies to be used within the Trust. The LGBs of each of the academies within the Trust have a number of committees as follows:

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AHCC	St. Alban's	Saint Mary's	St Paul's
Teaching & Learning	Teaching, Learning and Curriculum	Pupil, Personnel and Curriculum Committee	Curriculum and Standards
Human Resources	Human Resources	Faith & British Values Committee	Personnel and Community
Finance and Resources	Finance and Resources	Finance, Premises & Strategy Committee	Finance and Buildings

Whilst there are currently differences in the names of the committees across schools, there is broad commonality in the topics they address. Each committee has Terms of Reference which help to aid the policy making process and outline the specific responsibilities of each committee. Work continues to align all of the policies of the Multi Academy Trust and to ensure consistency between the senior school - which was the founding school in the Trust - and the primary schools, which converted more recently.

The Local Governing Bodies 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 is the Accounting Officer.

The principal activity of the Academy 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.

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TRUSTEES' REPORT (continued)
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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 remains in office.
- The Executive Principal for as long as he 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 3 meetings. The Governing Bodies and their Committees held a total of 51 meetings as follows:

	AHCC	St. Alban's	Saint Mary's	St Paul's
Local Governing Body Meetings	3	4	3	3
Teaching & Learning / Pupil, Personnel & Curriculum / Curriculum Committee	3	3	3	3
Human Resources / Personnel and Community Committee	3	4	N/A	3
Faith and British Values Committee	N/A	N/A	3	N/A
Finance and Resources / Finance, Premises and Strategy / Finance and Buildings Committee	4	3	3	3

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

All new Trustees and governors will be given a tour of the site of their respective academy and will be given the chance to meet with staff and students. Where available, they will be provided with access to the Governors' section of the academy's website and have access to policies, procedures and documents on that site; they are also provided with copies of minutes of the previous Governing Body meetings, Plans, accounts and budgets as appropriate.

The governors of AHCC have a designated Training Governor (TLG) who has responsibility for ensuring that all new governors are adequately inducted and trained in order to fulfil their duties. Governors complete an annual self-audit; from this the TLG identifies training needs and makes recommendations for training to be undertaken.

Upon appointment, Governors are invited to all committee meetings to get an overview of the work of the Governing Board and are subsequently assigned to one of its committees and 'link' with a specific curriculum department or area of focus. They undertake a number of visits to the Academy to work within their appointed function: a valuable training exercise, extending their understanding and ability to make key informed decisions at committee or full governing body level.

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

Trustees receive no remuneration for their role as Trustees of the Trust.

Trustees who are also employees are remunerated as follows:

- The Principal / Headteachers are evaluated on their performance in the year based on objectives set at the start of the year and outcomes delivered. The evaluation is carried out by the Chair of their local governing body accompanied by at least one other governor.
- Other Trustees, who are teachers within the academies are remunerated in line with other teachers in that academy using the same performance measurement objectives and National Terms and Conditions for Teachers' Pay.
- Neither group receives any remuneration specifically for their role as a Trustee.

In addition, the Deputy Principal and the Director of Finance and Business of AHCC, whilst not Trustees, are deemed to have sufficient influence / control to be key management personnel. Their remuneration is calculated as for 'other teachers' above, for the former, and according to company policy for Associate Staff for the latter. Both are based on annual appraisals approved by the Principal.

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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 Principal of AHCC is the Accounting Officer of 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 academies at an executive level implementing the policies laid down by Governors and reporting back to them.

For the year under review, responsibilities were distributed as follows:-

All Hallows Catholic College

Tony Billings - Principal

Ann-Marie Connor - Head of Training and School to School Support and Deputy Principal

Peter Nickson - Head of College and Deputy Principal

Martin Blades - Head of Inclusion and Assistant Principal

Michelle Garvey - Head of Sixth Form and Assistant Principal

Gus Diamond - Head of KS3 & 4 and Assistant Principal

Sarah Marshall - Head of Teacher Learning and Assistant Principal

Sarah Williams - Raising Standards Leader and Assistant Principal

Janet Leigh - Director of Finance and Business

This Senior Leadership Team meets weekly to discuss the strategic and operational matters of the College.

St Alban's Catholic Primary School

Teresa Cooke - Head

Judith Ceuppens - Assistant Head SENco EYFS, KS1, High Achievers Lead

Charlotte Clowes - Assistant Head KS2, Reading Lead, Pupil Premium Lead, E-Safety Lead

St. Mary's Catholic Primary School

Sacha Humphries - Head

Linda Thomas - Deputy Head

Val Bridge - Business Manager

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

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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), St John the Evangelist* (Macclesfield). [*Special arrangements for conversion will 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:

- AHCC was designated by the National College for Teaching and Learning as a National Support School in July 2013, and with the Principal in the role of a National Leader of Education, the College provides support and guidance to other educational establishments. Throughout 2014/15 and a large part of 2015/16 the Principal has been Executive Head of St. Chad's school in Halton and he and other key members of teaching staff have offered regular support to this and other schools in the area. Once a new Headteacher was appointed at St Chad's, the Principal ceased his role as Executive Head there and instead took up Executive Headship at St Paul's Catholic High School in Wythenshawe, Manchester. AHCC has supported St. Paul's, Wythenshawe throughout the latter part of 2015/16 and will do so throughout 2016/17.
- AHCC is a Specialist Schools and Academy Trust (SSAT) designated Teacher Enhancement Effectiveness Programme (TEEP) Champion School, and the College is also an SSAT Lead Practitioner Training Centre. This means that the College trains other schools teachers in reflective practice and teaching methodologies.
- AHCC is a provider of Schools Direct Initial Teacher training places in partnership with a number of universities – Manchester University, Manchester Metropolitan University, Liverpool Hope University and Chester University.
- AHCC has been designated as a National Teaching School from September 2016. Mrs Ann-Marie Connor, Deputy Principal at AHCC will take up her position as Director of the Teaching School to drive forward this element of the College's outreach and school to school support work.

St Alban's is a strategic partner in the Romero Teaching School Alliance and 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 a partner in the Romero Teaching School Alliance. It also works in partnership with the PDA (Poynton, Disley, Adlington) partnership of schools.

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h. Trustees' indemnities

In accordance with normal commercial practice the Academy 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.

Objectives and Activities

a. Objects and aims

AHCC 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. AHCC will also work with the Diocese and consider sponsoring other Catholic schools to become academies if the need arises.

b. Objectives, strategies and activities

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

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to virtually all of the main areas of the academies within the Trust. There is designated disabled parking at all sites. All sites have had access audits this year and are currently assessing impact of the reports arising and any adaptations required.

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c. Activities for achieving objectives

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.

All Hallows, school improvement activities include:

- Ensuring that assessments are benchmarked against new national standards and new GCSE grades.
- Interventions in Mathematics, MFL and Science to raise achievement further.
- Auditing and achieve recognition for the achievement of more able students. (NACE)
- Further enhancements in teaching and learning utilising 'growth mindsets'.
- Harnessing learning from work with schools being supported and partners in the TSA.
- Introduction of a new on line programme for setting, monitoring and tracking homework.
- Provision of a Learning Mentor and supervised student study to help students maximise their achievement in Sixth Form.

School Improvement Priorities for St Alban's 2016-17 are as follows:

- To continue to promote and develop the Catholic ethos of St Alban's.
- To improve the attainment and progress of Writing across the school.
- To improve the attainment and progress of Maths across the school.
- To embed Teacher Enhancement effectiveness Programme (TEEP) throughout the school.
- To ensure a broad, balanced, rich curriculum, incorporating a clear progression of skills and knowledge, with effective and informative assessment (NACE, e-safety, Science).
- To ensure the highest quality of provision for our children, through quality professional development of staff, in line with the new teachers' standard for CPD and standards for TAs.
- To ensure that all teachers emulate the excellent marking practice already used by most teachers in school so that all pupils always know exactly what to do to improve their work even further.

At Saint Mary's, the main school improvement activities are as follows:

- School Improvement Team need to develop a greater familiarity with whole school data in order to understand how it can be used to drive forwards school improvement.
- Subject leader action plans need to consistently link to outcomes to enable subject leaders to demonstrate more precise impact of work undertaken.
- Handwriting: An analysis of writing at KS1 identified that a significant reason for the school underperforming was due to the quality of handwriting, which had also been identified as an issue across the school in monitoring activities in the summer term.
- The school needs to build into performance management tracking of more able pupils from end of EYFS to end of KS1 to ensure that more able pupils in reading and writing make as good as progress as their peers.
- The school has transitioned successfully to a system of "assessment without levels". The assessment and recording systems now need to be embedded in order to capture progress and mastery across foundation subjects.
- Method of assessing progress in writing needs to ensure that expectations at the end of each year group is accurately pitched to enable the majority of children to reach end of key stage expectation.
- The school needs more robust systems in school to monitor the effectiveness of interventions for vulnerable pupils to ensure that these groups make accelerated progress in order to narrow the gap.

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At St Paul's, the main activities for raising attainment are:

- To continue to provide high quality learning opportunities for pupils to develop spiritually and to grow in their faith.
- To promote wider opportunities for writing and number at EYFS to secure higher % of pupils exceeding in writing and number, compared to local data comparisons.
- To support Y1 SEND pupils with phonics – ELKAN trained TA (speech, language & communication).
- Raise attainment in writing for all, with a focus on accelerating progress of our more able writers.
- Raise attainment in reading for all, with a focus on accelerating progress of our more able readers.
- To embed a Mastery approach to teaching mathematics across the school.
- To achieve the NACE award to enhance provision for more able learners.
- To achieve the Primary Science Quality Mark gold award to ensure the highest possible provision.
- Staff to use video recording to promote self-reflection and evaluation to secure high quality TEEP elements.

d. Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

e. Main activities undertaken to further the charity's purposes for the public benefit

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. An amount of £13,165 was raised in the year to 31 August 2016 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. The latest visit was in February 2016. Other fundraising / awareness events during the year have included Macmillan Cancer Support.

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, Mini Vinnies, E-Safety Officers, Eco-Council, Recycling Officers and Reading Buddies, Singing Playground Leaders, Sport News Reporters, EAL buddies and GIFT team (Growing in Faith Together).

Our children have much involvement in St Alban's Parish and the wider community. Some examples are Christmas Carol Service at local Nursing Homes and Macclesfield Hospital, Sacramental Programme preparations, CAFOD, Mission Together, Good Shepherd Fund, Operation Christmas Child, 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.

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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 2015 to 2016, the school raised well over £2,000 for a number of charities including St Vincent de Paul's, CAFOD, Cancer Research UK, East Cheshire Hospice, Water Aid and Macmillan Cancer Support.

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 exam rooms, tables, a medical centre and currently latrines; Starehe Boys and Starehe Girls Schools in Kenya (supported by the Martin Donaldson Trust) who visit us each year. We also regularly support charities linked with causes which have touched children's lives in our school; Click Sargent, JDRF (Juvenile Diabetes Research Foundation), Macmillan Cancer Support, Mary's Meals, British Red Cross and Reuben's Retreat. Mini-Vinnies, Mission Together, British Legion and CAFOD fundraising run throughout the year.

Achievements and performance

The HFN Multi academy trust, in its fourth 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, St Mary's Catholic Primary School and St Paul's Catholic Primary School), all of which converted to academy status in 2014/15.

All Hallows has increased its intake as families have realised that access to education in an Ofsted outstanding Catholic academy is available for all, that is to Catholic, other Christians and the wider community. This growth has been achieved despite local authority withdrawal of transport subsidies. Many more applications are open to the local geographical community and the college continues to welcome students from some outlying feeder schools due to an improved transport system.

Virtually all admissions are based on first choice applications. The admission number for the college is 210 students. There are 1212 students in the college at the date of the Autumn 2016 census, with year groups being over (+) or below (-) capacity as follows: Y7 (+3), Y8 (-16), Y9 (+8), Y10 (-14), Y11 (-26). The number in the Sixth Form (Y12 & 13) is 202. Admissions criteria are the same as for the voluntary aided school and the academy participates in the co-ordinated admission arrangements operated by the local authority.

The ability profile of the Y11 CO2016 was lower than the previous year. In August 2016 GCSE 5+A*-C including English and Mathematics was 60% with 97% 5+A*-G. Progress 8 is -0.2 (below national) and Attainment 8 is 51.7 (above national). At A Level a 99% pass rate was achieved with 57% of passes graded A*-B. The College has outstanding rates of progression to university including the traditional 'Russell Group' universities.

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St Alban's Catholic Primary School has a PAN of 60 (maximum NOR 420) with 334 currently on roll. Whilst the school is currently below maximum capacity, numbers are steadily increasing. In July 2016, EYFS Good Level of Development was 76% (7% above national standards) and Year 1 Phonics attainment was 94% (13% above national standards). KS1 Reading attainment was 79% achieving the expected standard (5% above national average), 37% achieving the high standard (13% above national average). KS1 Writing attainment was 63% achieving the expected standard (2% below national average) 7% achieving the high standard (6% below national average). KS1 Maths attainment was 70% achieving the expected standard (3% below national average) 21% achieving the high standard (3% above national average). KS2 Reading attainment was 80% achieving the expected standard (14% above national average), 28% achieving the high standard (9% above national average). KS2 Writing attainment was 48% achieving the expected standard (26% below national average) 2% achieving the high standard (13% below national average). KS2 Maths attainment was 85% achieving the expected standard (15% above national average) 28% achieving the high standard (11% above national average). KS2 Grammar, Punctuation and Spelling attainment was 85% achieving the expected standard (13% above national average), 35% achieving the high standard (13% above national average). Reading, Writing and Maths combined attainment at KS2 was 48% achieving the expected standard (5% below national average), 2% achieving the high standard (3% below national average). St Alban's was graded "Outstanding" in every area by Ofsted in November 2014 and maintained "outstanding" in our Section 48 monitoring visit in March 2015.

Saint Mary's Catholic Primary school has a PAN of 210 with 191 pupils currently on roll. Whilst the school is currently below "PAN", 30 children have joined the Reception class during the last three consecutive years which suggests numbers on roll will increase over time. In July 2016, in terms of attainment, 84% of children achieved the "Good Level of Development" compared to a national average of 69%. In Key Stage 1, the percentage of pupils achieving the expected standard in reading (82%) and maths (82%) is above average. The percentage of pupils achieving the expected standard in writing (50%) is below average. The percentage of pupils achieving greater depth standard is below average in reading (5%), but broadly in line with national averages for writing (9%) and maths (14%). Attainment in science is above average (91%). In KS2, the percentage of children achieving the expected standard in reading (77%) and those achieving a high scaled score (27%) were both well above average. The percentage of children achieving the expected standard in writing (73%) was broadly in line with national averages. The percentage of children achieving greater depth (23%) was well above average. The percentage of children achieving the expected standard in EGPS (88%) and those achieving a high scaled score (46%) were both well above average. The percentage of children achieving the expected standard in mathematics (85%) and those achieving a high scaled score (27%) were both well above average. The percentage of children achieving the expected standard across reading, writing and maths (69%) was well above national averages. The percentage of children achieving the high scaled score across reading, writing and maths (4%) is in broadly in line with national averages. The percentage of children achieving the expected standard in science is above average (88%). Levels of progress are rising across the curriculum, including in English and mathematics, as evidenced through KS2 SATS results: In 2013, progress in "all subjects" was significantly below national averages. It has since been consistently "in line" with national averages and was above national averages in reading (top 40% of schools) and maths (top 25% of schools) in 2016. The school was graded as "Good" by Ofsted in March 2014.

St Paul's Catholic Primary School has a maximum NOR of 119 (PAN 17) with 118 currently on roll. The school is currently below maximum capacity by one child but the intake for September 2016 was full PAN. The school was oversubscribed in September 2013 and the Governors agreed to go over PAN and accept 20 pupils. The school was oversubscribed again in September 2015, resulting in an appeals situation which meant that 21 pupils started in September in Reception. This may be an indicator that numbers on roll will increase over time. Due to the small cohort sizes, data for attainment and progress always needs to be handled with caution as 1 child may represent as much as 7%. In July 2016, the number of children in Foundation Stage achieving a Good Level of Development was 81% (Increased from 77% in 2015) - National standards 2016 69%). 92% of Y1 pupils met the required standard (National 81%) and 100% of Y2 resits. There is likely to be a predicted dip in Y1 2017 phonics testing as there are a group of children with identified Speech and Language difficulties. Phonics is a strength of the school and there are no concerns regarding provision. Attainment at KS1 2016, was in line with national expectations for writing and maths. Although figures show a -9% difference in reading, this

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

equates to less than 2 pupils. As predicted, data in Key Stage 2 was below the expected standard in all subjects. Attainment was below floor targets in all subjects. Progress was not significantly different from national average in reading or maths but was significantly below national average in writing. Progress measures were above floor targets in all subjects. It is important to note that this cohort was originally made up of 14 pupils, 7 of which had SEND (50%). 6 of these pupils also had Dyslexia 42.9%. Three pupils joined the cohort from January 2016, two from other countries, which further impacted negatively on results. RAISEonline 2016 shows that:

Percentage of pupils with SEN support: School 22.8% National 12.1%

Percentage of pupils with an SEN Statement or EHC plan: School 2.6% National 1.3%

Predicted end of KS2 results for 2017 are above national data 2016.

Through the school self-evaluation process, it has been identified that standards of teaching and learning for writing could be improved, to ensure pupils achieve the assessment requirements for 'secure fit' at the end of KS2. Continuing to develop mathematical fluency and conceptual understanding also remain a priority for the school. The school was graded as Outstanding by Ofsted in March 2010 but governors recognise that historic attainment of cohorts with high numbers of SEN pupils will jeopardise this.

a. Key financial performance indicators

Staff Costs as a percentage of total DfE income

	2016		2015	
	Budget	Actual	Budget	Actual
Teaching	64%	62%	62%	50%
Educational Support	9%	9%	8%	7%
Other Academy Support	10%	11%	10%	9%

Expenditure on Direct Educational Supplies & Services per student: £365 (2015: £494)

b. Review of activities

This was the first full year of operation of the Trust which included all four member schools for the full 12 months. No additional schools joined in the year.

During the year ended 31 August 2016, total expenditure of £10,502,153 (2015: £8,523,983) was covered by recurrent grant funding from the EFA and LA together with other incoming resources. The excess of expenditure over income for the year totalled £1,317,493 (2015: £4,232,654 surplus). The large surplus in the prior year was due to one-off assets on conversion when the primary schools joined the Trust.

At 31 August 2016 the net book value of fixed assets was £34,082,790 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 £3,034,000 at 31st August 2016 (2015: £1,949,000).

The Academy held fund balances at 31 August 2016 of £31,980,531 comprising £31,048,790 of restricted funds (including £3,034,000 pension reserve) deficit and £931,741 of unrestricted funds.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Academies within the Trust have been awarded a number of grants as follows:

In 2014/15 All Hallows was awarded £269,385 from the DfE Condition Improvement Fund for the refurbishment of several roofs across the site. The work began in the summer of 2015 and was completed in 2015/16.

All Hallows was also awarded £35,000 from the Wolfson Foundation for the refurbishment of science laboratory. The laboratory was completed in September 2016.

Other grants included St Alban's being awarded £10,000 Lottery Funding and £12,000 Growth Grant.

Saint Mary's was awarded £43,588 through the DfE Condition Improvement Fund (CIF) to upgrade the heating system.

c. Investment policy and performance

Investments are made only in accordance with written procedures approved by the individual Governing Bodies. Current investments are through a fixed rate deposit account and 32 day notice account with our existing bank.

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 Governors have assessed the major risks to which their Academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of their Academy and its finances. The Governors have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors and supervision of the school grounds) and internal finance controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.

They are satisfied that these systems are broadly consistent with guidelines issued by the DfE but recognise that some weaknesses do exist. The Trust has begun the process of pulling together individual risk management processes at each school to ensure that a standardised framework, consistently applied, is developed across the Trust so the Directors have full oversight of risk management of the organisation and can take appropriate action.

The Trust has a revised set of financial procedures, which are being updated to ensure consistency across the Trust.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. Reserves policy

The Governors review the reserve levels of the individual Academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Governing Body is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The Governors have determined that the appropriate level should be a minimum of £165,000. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £931,741 (2015: £1,049,983).

Designated funds of £40,000 have been set aside as a sinking fund to replace the carpet on the 3G football pitch at the end of its useful life. This fund is likely to accumulate over approximately 8 – 10 years until replacement is required.

d. Principal funding

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

All of the grants receivable from the EFA and the LA during the year to 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

Plans for future periods

a. Future developments

The multi-academy trust would hope to build on the successes of current partnership working in terms of learning outcomes, collaboration and procurement success across all schools in the partnership. The extent to which this is part of the work of the MAT will be determined by the number of partnership schools becoming academies. The AHLC plans and activities will be maintained as they are, pending the full inclusion of all partners in the Trust. The plans for AHCC and the other schools currently in the Trust centre on continuing to maximise achievement for all in the context of a vibrant learning community, which believes in the development of the whole person. The focus is on teaching and learning and providing excellent professional development for teachers so the schools can maintain the upward trend in outstanding lesson judgements. The schools will continue to maximise the benefits that arise from their expertise in teacher learning and school to school support in ensuring their own provision is up to date and of the highest standards.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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.

This report was approved by order of the Board of Trustees as the company directors, on 31/01/17 and signed on its behalf by:



.....
Mrs H E Knight
Chair of Trustees

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT

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, 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Reverend D J Roberts	2	3
Mr A Scott	1	1
Mr A S Billings	3	3
Mr J Daley	0	3
Mrs J M Feely	3	3
Mrs A Heaton	2	3
Mrs N Armstrong-Boyle	3	3
Mr T J Neill	2	3
Mrs A M Connor	2	3
Mrs T M Cooke	2	3
Mr S W Gachuhi	1	3
Mrs S Humphries	3	3
Mrs C M Ingram	3	3
Mr N R Johnson	1	3
Mr J Kalnins	3	3
Mrs H E Knight	3	3
Mr D J Cunningham	2	3

During the year, Mrs H E Knight has been appointed Chair of the Board and Mr J Kalnins is Vice Chair.

The Board continues to review the governance of the Trust, with a view to streamlining the number of committees and revising the organisation's structure. This will provide greater transparency and accountability to the Board of the Multi Academy Trust.

The Trustees have delegated functions, other than those defined as 'reserved functions' to the local Governing body (LGB) of the four individual Academies. The LGBs met 3 or 4 times during the year.

Each Academy has its own Finance Committee as a sub-committee of the LGB. Its purpose is to work in consultation with the Principal / Head servicing the committee to provide guidance to the Governing Body on priorities and issues relating to finance and resources at the Academy. Major issues are referred to the full Governing Body for ratification.

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GOVERNANCE STATEMENT (continued)

The governors undertake periodic skills audits and reviews of training and the next one is scheduled to take place in January 2016

Review of Value for money

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

- Sharing resources within the Multi Academy Trust and undertaking work as a group that would otherwise be contracted separately at higher cost. For example, use of central finance resources and support; centralisation of clerking services and HR support services.
- Professionalisation of school to school support and costing thereof. Work done in other schools is always costed appropriately to ensure that the customer gets the service they require but that it is done in a manner and with an appropriate charge that ensures it is value for money for the Trust.
- Supporting the work of the All Hallows Learning Community during 2015/16, which has had a particular focus on procurement, shared contracting and value for money. The community has worked together under the direction of the AHLC Business Manager to share information and ideas to ensure that savings have been made across the group as a whole.

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 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

Dains LLP have been the internal auditor of All Hallows Catholic College throughout the financial year. The major piece of work undertaken in the year was a review of the Trust's VAT systems. This has now concluded and the organisation is VAT registered, with new VAT procedures in place and all outstanding claims received.

Review of Effectiveness

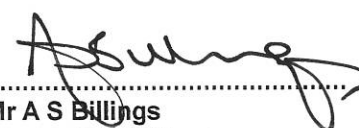
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 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 31/01/17 and signed on their behalf, by:


.....
Mrs H E Knight
Chair of Trustees


.....
Mr A S Billings
Accounting Officer

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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

Governing body committee structure

The Academy Trust has not yet formed a governing body committee structure and therefore does not have an audit committee or another committee, such as a finance committee, whose combined remit includes the functions of an audit committee.

Risk management policy and risk register

The Academy Trust does not have a risk management policy at board level. Nor does it have a risk register at this level on which risks have been recorded and monitored throughout the year.

Pecuniary interest declarations and register of interests

The Academy Trust has not obtained pecuniary interest declarations from a small number of members and trustees. In addition, the Academy Trust does not have a register of interests at MAT level.


Publishing information about governance structures

The Academy Trust has not published on its website all of the up to date details of governance arrangements as required by the Financial Handbook 2015.

Internal audit procedures

During the period under consideration the Academy Trust had not formulated a programme of work for the internal auditors to perform independent checking of financial controls, systems, transactions and risks.

None of the above matters have been previously reported to the EFA.


.....
Mr A S Billings
Accounting Officer
Date: 31/01/17

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of The Holy Family of Nazareth Catholic Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 31/01/17 and signed on its behalf by:


.....
Mrs H E Knight
Chair of Trustees

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

We have audited the financial statements of The Holy Family of Nazareth Catholic Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

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

Moore Stephens.

Ashley M Conway (Senior statutory auditor)
for and on behalf of

Moore Stephens, Statutory Auditor

Chartered Accountants

1 Lakeside

Festival Way

Festival Park

Stoke-on-Trent

Staffordshire

ST1 5RY

Date:

16/2/2017

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

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Holy Family of Nazareth Catholic Academy Trust and the EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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 matters 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Governing body committee structure

The Academy Trust has not yet formed a governing body committee structure and therefore does not have an audit committee or another committee, such as a finance committee, whose combined remit includes the functions of an audit committee.

Risk management policy and risk register

The Academy Trust does not have a risk management policy at board level. Nor does it have a risk register at this level on which risks have been recorded and monitored throughout the year.

Pecuniary interest declarations and register of interests

The Academy Trust has not obtained pecuniary interest declarations from a small number of members and trustees. In addition, the Academy Trust does not have a register of interests at MAT level.

Publishing information about governance structures

The Academy Trust has not published on its website all of the up to date details of governance arrangements as required by the Financial Handbook 2015.

Internal audit procedures

During the period under consideration the Academy Trust had not formulated a programme of work for the internal auditors to perform independent checking of financial controls, systems, transactions and risks.

Moore Stephens

Moore Stephens
Chartered Accountants
1 Lakeside
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5RY

Date: 16/2/2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	3,482,841
Other donations and capital grants	2	11,725	17,024	381,695	410,444	1,236,527
Charitable activities	3	27,297	9,260,465	-	9,287,762	7,744,173
Other trading activities	4	379,010	78,161	-	457,171	266,121
Investments	5	3,283	-	-	3,283	975
TOTAL INCOME		421,315	9,355,650	381,695	10,158,660	12,730,637
EXPENDITURE ON:						
Raising funds		7,227	-	-	7,227	9,733
Educational activities		12,603	9,819,575	662,748	10,494,926	8,514,250
TOTAL EXPENDITURE	8	19,830	9,819,575	662,748	10,502,153	8,523,983
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	401,485 (519,727)	(463,925) 280,461	(281,053) 239,266	(343,493) -	4,206,654 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(118,242)	(183,464)	(41,787)	(343,493)	4,206,654
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(974,000)	-	(974,000)	26,000
NET MOVEMENT IN FUNDS		(118,242)	(1,157,464)	(41,787)	(1,317,493)	4,232,654
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,049,983	(1,876,536)	34,124,577	33,298,024	29,065,370
TOTAL FUNDS CARRIED FORWARD		931,741	(3,034,000)	34,082,790	31,980,531	33,298,024

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08307881

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	14		34,082,790	34,124,577
CURRENT ASSETS				
Debtors	15	521,394		551,116
Cash at bank and in hand		1,368,657		1,639,223
		<u>1,890,051</u>		<u>2,190,339</u>
CREDITORS: amounts falling due within one year	16	(958,310)		(1,067,892)
NET CURRENT ASSETS			<u>931,741</u>	<u>1,122,447</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>35,014,531</u>	<u>35,247,024</u>
Defined benefit pension scheme liability	23		<u>(3,034,000)</u>	<u>(1,949,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>31,980,531</u></u>	<u><u>33,298,024</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	18	-		72,464
Restricted fixed asset funds	18	34,082,790		34,124,577
Restricted income funds excluding pension liability		<u>34,082,790</u>		<u>34,197,041</u>
Pension reserve		<u>(3,034,000)</u>		<u>(1,949,000)</u>
Total restricted income funds			<u>31,048,790</u>	<u>32,248,041</u>
Unrestricted income funds	18		<u>931,741</u>	<u>1,049,983</u>
TOTAL FUNDS			<u><u>31,980,531</u></u>	<u><u>33,298,024</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 31/01/17 and are signed on their behalf, by:

.....
Mrs H E Knight
Trustee

The notes on pages 30 to 54 form part of these financial statements.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	183,193	(481,952)
Cash flows from investing activities:			
Interest received		3,283	975
Purchase of tangible fixed assets		(589,417)	(1,331,159)
Capital grants from DfE/EFA		132,375	1,573,049
Cash transferred on conversion		-	349,841
Net cash (used in)/provided by investing activities		(453,759)	592,706
Change in cash and cash equivalents in the year		(270,566)	110,754
Cash and cash equivalents brought forward		1,639,223	1,528,469
Cash and cash equivalents carried forward		1,368,657	1,639,223

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, 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.

First time adoption of FRS 102

These financial statements are the first financial statements of The Holy Family of Nazareth Catholic Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Holy Family of Nazareth Catholic Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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 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.

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/Education Funding Agency.

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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.

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

All resources expended are inclusive of irrecoverable VAT.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.6 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 and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

L/Term Leasehold land	-	125 years straight line
L/Term Leasehold property	-	50 years straight line
L/Term Leasehold improvements	-	10 years straight line
Fixtures and fittings	-	4 years straight line
Computer equipment	-	3 years straight line

1.8 Interest receivable

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

1.9 Operating leases

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

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.10 Debtors

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

1.11 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.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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 recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in transfer of economic benefits and the obligation can be estimated reliably.

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

1.13 Financial instruments

The academy only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

1.14 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

The trustees have also considered the accounting treatment of land and buildings utilised by the Trust. Whilst the freehold titles to the property occupied under supplemental agreements are not held by the academy trust, the trustees consider that the use of such land and buildings should be recognised in the balance sheet in order to reflect the value of its anticipated continued use. Land and buildings occupied under such arrangements are therefore recognised in long term leasehold land and buildings. The valuation basis adopted reflects the depreciated replacement cost of a 125 year lease as determined by an expert valuer.

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Exceptional item - net assets on conversion	-	-	-	-	3,482,841
Donations	11,725	17,024	-	28,749	14,183
Capital Grants	-	-	381,695	381,695	1,222,344
Subtotal	11,725	17,024	381,695	410,444	1,236,527
Total donations and capital grants	11,725	17,024	381,695	410,444	4,719,368

In 2015, of the total income from donations and capital grants, £354,275 was to unrestricted funds and £4,365,093 was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	8,188,514	8,188,514	6,812,657
Start Up Grants	-	-	-	50,000
Other DfE/EFA Grants	-	598,313	598,313	488,307
	<u>-</u>	<u>8,786,827</u>	<u>8,786,827</u>	<u>7,350,964</u>
Other government grants				
SEN	-	200,703	200,703	184,108
Other Grant Income	-	6,000	6,000	9,995
	<u>-</u>	<u>206,703</u>	<u>206,703</u>	<u>194,103</u>
Other funding				
Other income from the academy trust's educational operations	27,297	266,935	294,232	199,106
	<u>27,297</u>	<u>266,935</u>	<u>294,232</u>	<u>199,106</u>
	<u>27,297</u>	<u>9,260,465</u>	<u>9,287,762</u>	<u>7,744,173</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £7,744,173 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other income	321,516	78,161	399,677	226,469
Lettings income	57,494	-	57,494	39,652
	<u>379,010</u>	<u>78,161</u>	<u>457,171</u>	<u>266,121</u>

In 2015, of the total income from other trading activities, £150,993 was to unrestricted funds and £115,128 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest receivable	3,283	-	3,283	975

In 2015, of the total investment income, £ 975 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Academy's educational operations £	Total 2016 £	Total 2015 £
Educational supplies	676,195	676,195	595,601
Staff development	139,834	139,834	109,345
Wages and salaries	5,190,332	5,190,332	4,251,595
National insurance	438,136	438,136	304,559
Pension cost	860,739	860,739	588,261
Depreciation	629,610	629,610	582,956
	<u>7,934,846</u>	<u>7,934,846</u>	<u>6,432,317</u>

In 2015, the academy incurred the following Direct costs:
£6,432,317 in respect of Academy's educational operations

THE HOLY FAMILY OF NAZARETH CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. SUPPORT COSTS

	Academy's educational operations £	Total 2016 £	Total 2015 £
Pension scheme interest cost	73,000	73,000	49,000
Legal and professional	34,607	34,607	79,824
Maintenance of premises and equipment	220,124	220,124	152,002
Catering	182,067	182,067	86,962
Technology costs	78,984	78,984	40,299
Cleaning	118,413	118,413	107,091
Rent and rates	115,180	115,180	95,000
Insurance	82,530	82,530	61,570
Transport and security	141,899	141,899	131,380
Energy costs	94,613	94,613	87,869
School Trips	284,189	284,189	278,885
Other support costs	175,244	175,244	162,068
Governance costs	19,760	19,760	39,369
Wages and salaries	678,823	678,823	491,131
National insurance	32,813	32,813	28,285
Pension cost	194,696	194,696	160,516
Depreciation	33,138	33,138	30,682
	<u>2,560,080</u>	<u>2,560,080</u>	<u>2,081,933</u>

In 2015, the academy incurred the following Support costs:

£2,081,933 in respect of Academy's educational operations

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	7,227	7,227	9,733
Academy's educational operations:					
Direct costs	6,489,207	462,793	982,846	7,934,846	6,432,317
Support costs	906,332	442,192	1,211,556	2,560,080	2,081,933
	<u>7,395,539</u>	<u>904,985</u>	<u>2,201,629</u>	<u>10,502,153</u>	<u>8,523,983</u>

In 2016, of the total expenditure, £19,830 (2015 - £9,733) was to unrestricted funds and £10,482,323 (2015 - £8,514,250) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	662,748	613,639
Auditors' remuneration - audit	8,250	9,821
Auditors' remuneration - other services	10,050	4,757
Operating lease rentals	27,876	17,068
	<u>662,748</u>	<u>613,639</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	5,857,192	4,742,726
Social security costs	470,949	332,844
Operating costs of defined benefit pension schemes	1,055,435	748,777
	<u>7,383,576</u>	<u>5,824,347</u>
Staff restructuring costs	11,963	-
	<u><u>7,395,539</u></u>	<u><u>5,824,347</u></u>

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

	2016 No.	2015 No.
Teachers	113	89
Administration and support	116	80
Management	19	14
	<u>248</u>	<u>183</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	2
In the band £120,000 - £130,000	1	0
In the band £130,000 - £140,000	0	1

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2016, pension contributions for these members of staff amounted to £41,942 (2015: £36,064).

Included in staff restructuring costs are two non-statutory/non-contractual severance payments totalling £11,963 (2015: £nil). Individually, the payments were: £7,631 and £4,332.

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 £519,536 (2015: £342,962).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. CENTRAL SERVICES

During the year, the Trust implemented a policy of charging each school 1.5% of its General Annual Grant to cover central services. The services 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:

	2016 £
St Alban's Catholic Primary School	15,764
St Mary's Catholic Primary School	11,387
St Paul's Catholic Primary	7,425
All Hallows Catholic College	88,124
	<u>122,700</u>
Total	

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:

		2016 £	2015 £
Mr A S Billings	Remuneration	120,000-125,000	130,000-135,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Mrs A Heaton	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	0-5,000	0-5,000
Mrs A M Connor	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mrs N Armstrong-Boyle	Remuneration	50,000-55,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Mrs T M Cooke	Remuneration	55,000-60,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Mrs S Humphries	Remuneration	50,000-55,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

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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 2016 was £2,115 (2015 - £2,048).

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2015	34,781,309	277,353	440,277	46,729	35,545,668
Additions	432,771	30,989	104,145	53,056	620,961
Transfer between classes	46,729	-	-	(46,729)	-
At 31 August 2016	35,260,809	308,342	544,422	53,056	36,166,629
Depreciation					
At 1 September 2015	994,332	143,154	283,605	-	1,421,091
Charge for the year	487,151	67,591	108,006	-	662,748
At 31 August 2016	1,481,483	210,745	391,611	-	2,083,839
Net book value					
At 31 August 2016	33,779,326	97,597	152,811	53,056	34,082,790
At 31 August 2015	33,786,977	134,199	156,672	46,729	34,124,577

L/Term leasehold property includes improvements to land and buildings occupied under supplemental agreements. The freehold to this property is held by Shrewsbury Roman Catholic Diocesan Trust.

15. DEBTORS

	2016 £	2015 £
Trade debtors	54,420	76,682
Other debtors	240,054	310,183
Prepayments and accrued income	226,920	164,251
	521,394	551,116

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16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	369,883	208,201
Other taxation and social security	131,887	105,093
Other creditors	130,470	109,562
Accruals and deferred income	326,070	645,036
	<u>958,310</u>	<u>1,067,892</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	364,765	539,042
Resources deferred during the year	238,097	364,765
Amounts released from previous years	(364,765)	(539,042)
	<u>238,097</u>	<u>364,765</u>
Deferred income at 31 August 2016	<u>238,097</u>	<u>364,765</u>

Creditors includes £238,097 (2015: 364,765) 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:

	2016 £	2015 £
Teaching School Income	60,000	-
UIFSM	61,054	-
Mental Health Grant	3,500	-
DFC	48,721	22,136
Sports Grant	12,158	-
CIF	52,664	328,569
Pupil Premium	-	14,060
	<u>238,097</u>	<u>364,765</u>
Total	<u>238,097</u>	<u>364,765</u>

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17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at amortised cost	<u>54,420</u>	<u>76,682</u>
Financial liabilities measured at amortised cost	<u>369,883</u>	<u>208,201</u>

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	<u>1,049,983</u>	<u>421,315</u>	<u>(19,830)</u>	<u>(519,727)</u>	-	<u>931,741</u>
Restricted funds						
General Annual Grant (GAG)	72,464	8,188,514	(8,541,439)	280,461	-	-
Other DfE/EFA Grants	-	598,313	(598,313)	-	-	-
Other income	-	568,823	(568,823)	-	-	-
Pension reserve	(1,949,000)	-	(111,000)	-	(974,000)	(3,034,000)
	<u>(1,876,536)</u>	<u>9,355,650</u>	<u>(9,819,575)</u>	<u>280,461</u>	<u>(974,000)</u>	<u>(3,034,000)</u>
Restricted fixed asset funds						
Land and buildings	33,833,706	354,488	(487,151)	131,339	-	33,832,382
General fixed asset fund	290,871	27,207	(175,597)	107,927	-	250,408
	<u>34,124,577</u>	<u>381,695</u>	<u>(662,748)</u>	<u>239,266</u>	<u>-</u>	<u>34,082,790</u>
Total restricted funds	<u>32,248,041</u>	<u>9,737,345</u>	<u>(10,482,323)</u>	<u>519,727</u>	<u>(974,000)</u>	<u>31,048,790</u>
Total of funds	<u>33,298,024</u>	<u>10,158,660</u>	<u>(10,502,153)</u>	<u>-</u>	<u>(974,000)</u>	<u>31,980,531</u>

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

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

EFA guidance.

Other DfE/EFA grants are grants from the DfE and EFA which are not the GAG but are used for the charitable purposes of the Trust.

Other income relates to miscellaneous income received and restricted donations on conversion.

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

Restricted fixed asset fund relates to 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 they could carry forward at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
All Hallows Catholic College	431,762	522,146
St Alban's Catholic Primary School	117,595	158,402
St Mary's Catholic Primary School	219,339	200,327
St Paul's Catholic Primary	163,045	241,572
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	931,741	1,122,447
Restricted fixed asset fund	34,082,790	34,124,577
Pension reserve	(3,034,000)	(1,949,000)
	<hr/>	<hr/>
Total	<u><u>31,980,531</u></u>	<u><u>33,298,024</u></u>

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

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
All Hallows Catholic College	4,751,335	525,777	307,983	1,425,440	7,010,535	6,529,066
St Alban's Catholic Primary School	839,791	134,568	71,520	238,889	1,284,768	611,253
St Mary's Catholic Primary School	528,049	113,256	65,020	125,891	832,216	320,022
St Paul's Catholic Primary School	370,032	94,731	32,527	103,594	600,884	339,008
	<u>6,489,207</u>	<u>868,332</u>	<u>477,050</u>	<u>1,893,814</u>	<u>9,728,403</u>	<u>7,799,349</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	34,082,790	34,082,790	34,124,577
Current assets	931,741	958,310	-	1,890,051	2,190,339
Creditors due within one year	-	(958,310)	-	(958,310)	(1,067,892)
Provisions for liabilities and charges	-	(3,034,000)	-	(3,034,000)	(1,949,000)
	<u>931,741</u>	<u>(3,034,000)</u>	<u>34,082,790</u>	<u>31,980,531</u>	<u>33,298,024</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(343,493)	4,206,654
Adjustment for:		
Depreciation charges	662,748	613,639
Interest receivable	(3,283)	(975)
Decrease/(increase) in debtors	29,722	(134,515)
Increase/(decrease) in creditors	108,194	(572,570)
Capital grants from DfE and other capital income	(381,695)	(1,222,344)
Defined benefit pension scheme obligation inherited	-	938,000
Defined benefit pension scheme cost less contributions payable	38,000	62,000
Defined benefit pension scheme finance cost	73,000	49,000
Net (loss) on assets and liabilities from local authority on conversion	-	(4,420,841)
Net cash provided by/(used in) operating activities	183,193	(481,952)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,368,657	1,639,223
Total	1,368,657	1,639,223

22. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	328,569

23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are 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 2013.

Contributions amounting to £125,000 were payable to the schemes at 31 August 2016 (2015 - £106,000) and are included within creditors.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £707,610 (2015 - £480,999).

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

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

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23. PENSION COMMITMENTS (continued)

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 2016 was £382,000 (2015 - £251,000), of which employer's contributions totalled £310,000 (2015 - £200,000) and employees' contributions totalled £72,000 (2015 - £51,000). 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.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities*	2.00 %	3.70 %
Rate of increase in salaries*	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation*	2.10 %	2.60 %

* The assumptions set out above have been used by the actuary to value £4,757,000 (2015 - £3,229,000) of the scheme liabilities. The assumptions set out below have been used by the actuary to value £470,000 (2015 - £296,000) of the scheme liabilities.

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,711,000	1,103,000
Debt instruments	329,000	284,000
Property	154,000	142,000
Cash	-	47,000
	<u>2,194,000</u>	<u>1,576,000</u>
Total market value of assets	<u>2,194,000</u>	<u>1,576,000</u>

The actual return on scheme assets was £260,000 (2015 - £(26,000)).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(348,000)	(262,000)
Net interest cost	(73,000)	(49,000)
	<u>(421,000)</u>	<u>(311,000)</u>
Total	<u>(421,000)</u>	<u>(311,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	3,525,000	1,797,000
Upon conversion	-	1,431,000
Current service cost	348,000	262,000
Interest cost	137,000	93,000
Contributions by employees	72,000	51,000
Actuarial losses/(gains)	1,234,000	(52,000)
Benefits paid	(89,000)	(57,000)
	<u>5,227,000</u>	<u>3,525,000</u>
Closing defined benefit obligation	<u>5,227,000</u>	<u>3,525,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	1,576,000	871,000
Upon conversion	-	493,000
Interest income	64,000	44,000
Actuarial gains and (losses)	260,000	(26,000)
Contributions by employer	310,000	200,000
Contributions by employees	72,000	51,000
Benefits paid	(89,000)	(57,000)
	<u>2,193,000</u>	<u>1,576,000</u>
Closing fair value of scheme assets	<u>2,193,000</u>	<u>1,576,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	27,876	27,876
Between 1 and 5 years	44,914	72,790
	<u>72,790</u>	<u>100,666</u>
Total	<u>72,790</u>	<u>100,666</u>

25. 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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26. RELATED PARTY TRANSACTIONS

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

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 £11,162 (2015: £nil).

Mr A Billings, the Principal of All Hallows Catholic College and the Accounting Officer was also the executive Prinipal at St Chad's Catholic and Church of England High School until April 2016. The Trust provides services to St Chad's Catholic and Church of England High School and during the year these amounted to £82,621 (2015: £116,382). At the year end the amount owed by St Chad's Catholic and Church of England High School was £29,889 (2015: £19,058).

Mr A Billings, the Principal of All Hallows Catholic College and the Accounting Officer was also the executive Prinipal 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 £88,563 (2015: £nil). At the year end the amount owed by St Paul's Catholic High School was £662 (2015: £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

In accordance with the Academies Accounts Direction 2015 to 2016 (based on SORP 2015) income for the year ended 31 August 2015 has been reclassified into appropriate categories and governance costs have been reclassified as expenditure on academy trust educational operations. The reclassification of income and expenditure has had no effect on total income, total expenditure, net income for the year or total funds as previously reported.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		29,065,370	33,298,024
Total funds reported under FRS 102		<u>29,065,370</u>	<u>33,298,024</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		4,228,654
Change in recognition of LGPS Interest cost	A	(22,000)
Net income reported under FRS 102		<u>4,206,654</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under Previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expense. Under FRS102 a net interest expense, based on the net defined liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £22,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
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