

Registered number: 08192900

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

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

PAX CHRISTI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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PAX CHRISTI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

Members

Rt Rev. PJ McKinney
Rev. PJ Guest VG
Rev CP Thomas

Trustees

K Daly, Chair (appointed 31 August 2018)
P Bray (appointed 31 August 2018)
R Burke (resigned 31 August 2018)
C Cuomo (staff trustee, resigned 31 August 2018)
R Carter (resigned 31 August 2018)
R della-Spina (staff trustee, resigned 31 August 2018)
L Edwards (resigned 31 August 2018)
D England (resigned 31 August 2018)
J Fru (resigned 21 November 2017)
T Harding (appointed 31 August 2018)
J O'Boyle (appointed 22 November 2017, resigned 31 August 2018)
C Reilly (staff trustee, resigned 31 August 2018)
N Stevenson (appointed 31 August 2018)
K Taylor (staff trustee, resigned 31 August 2018)
M Williams (staff trustee, resigned 31 August 2018)
D Wilson (resigned 31 August 2018)
Fr P Ziomek (resigned 31 August 2018)

Company registered number

08192900

Principal and registered office

Christ the King Catholic School, Darlton Drive, Arnold, Nottingham, NG5 7JZ

Company secretary

Mr DP Moore (appointed 31 August 2018)
Mrs C Anderson (resigned 31 August 2018)

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

Administrative details (continued)

Chief Executive Officer

Mr JW McGeachie

Senior management team

Mr DP Moore, Finance Director

Mrs M Robson, HR Director

Mrs MA Dales, Director of Performance and Standards

Mr C Maher, Director of Performance and Standards

Independent auditors

Duncan and Toplis Limited, 15 Chequergate, Louth, Lincolnshire, LN11 0LJ

Bankers

Lloyds plc, 12-16 Lower Parliament Street, Nottingham, NG1 3DA

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

PAX CHRISTI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of Pax Christi Catholic Academy Trust (the Academy) for the year ended 31 August 2018. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year, the Trust operated a secondary and four primary academies. On 1st September 2018 the academies within the Trust transferred to become part of the Our Lady of Lourdes Catholic Multi-Academy Trust, which now comprises four secondary and seventeen primary academies in Nottingham and Nottinghamshire.

The academies within the Pax Christi Catholic Academy Trust had a combined pupil capacity of 1846, and had a roll of 1852, in the school census on 18 January 2018.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 August 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees act as the Trustees for the charitable activities of Pax Christi Catholic Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Pax Christi Catholic Academy Trust).

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £5,000,000.

PAX CHRISTI CATHOLIC ACADEMY TRUST

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

d. PRINCIPAL ACTIVITIES

In accordance with the Articles of Association of the Trust, the principal activities of the Trust are defined by its objects, namely:

the establishing, maintaining, carrying on, managing and developing of Catholic schools in the United Kingdom conducted in accordance with the principles, and subject to the regulations and discipline of the Catholic Church; and subject to the approval of the Diocesan Bishop and as purely ancillary to the above, the establishing, maintaining, carrying on, managing and developing of other schools in the United Kingdom.

promoting for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academies in the Trust also engage in activities which promote the Roman Catholic faith and works as determined by the universal and particular law of the Roman Catholic Church, including, but not limited to, the charitable purposes of the Church in any part of the world.

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Trust Board shall comprise of Directors of the Trust. The number of Trustees shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All Trustees shall, upon their appointment or election and before exercising any duties as a Director, give a written undertaking to the Trustees and the Diocesan Bishop to uphold the Object of the Academy Trust.

The Company shall have the following Trustees:

- Foundation Directors appointed by the Diocesan Bishop. The number of Foundation Directors should at all times exceed the other Directors (including any co-opted Directors) by at least two
- The Principal/Head Teacher and Chair of the local governing body of each academy
- Directors appointed by the Directors through such process as they determine
- A minimum of two parent directors appointed by the Directors whether after election or each local governing body will include at least two Parent Local Governors
- Co-opted Directors

Further details on the appointment of Trustees are found in the Articles of Association.

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

The training and induction provided for new Trustees is on two levels, that of the Trust Board and the Local Governing Body of each constituent Academy. The broad policy depends on the level of existing experience. Where necessary, induction and training will be provided on all matters pertaining to the Academy operation, in particular to educational, legal and financial matters.

PAX CHRISTI CATHOLIC ACADEMY TRUST

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

g. ORGANISATIONAL STRUCTURE

The Pax Christi Catholic Academy Trust is a Multi-Academy Trust comprising of five constituent academies, namely:

- Christ The King Voluntary Academy
- Holy Cross Primary Catholic Voluntary Academy
- St Margaret Clitherow Catholic Primary School
- The Good Shepherd Catholic Primary, Arnold
- The Sacred Heart Primary Catholic Voluntary Academy

Each of these schools before conversion to Academy status was a Voluntary Aided School in the Trusteeship of the Roman Catholic Diocese of Nottingham. The Diocesan Board of Directors gave its consent to convert to Academy status after careful consideration of the issues involved. The Articles of Association allow for the Bishop of Nottingham to appoint Foundation Directors to the Trust, ensuring that the teachings of the Roman Catholic faith are upheld by the constituent academies of the Multi-Academy Trust.

Each constituent Academy has a Local Governing Body to which the Board of Directors delegates power via the approved Scheme of Delegation.

h. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The pay of the Headteachers, Deputy Head Teachers and Assistant Head Teachers is by reference to the Standard Teacher's Pay and Conditions document and in accordance with performance management process. The setting of support staff including key HR, Finance and IT roles is in accordance with the National Joint Council pay scales.

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

I. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	2.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

	£000
Total cost of facility time	0
Total pay bill	£7,293
Percentage of total pay bill spent on facility time	0 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0 %
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J. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Nottingham Roman Catholic Diocesan Trust (Company Number 7151646; Charity Number 1134449) is chaired by the Bishop of the Roman Catholic Diocese of Nottingham, who is a Member of the Academy Trust and reserves the right to appoint Trustees by virtue of his Office.

PAX CHRISTI CATHOLIC ACADEMY TRUST

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

Objectives and Activities

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Trust are:

To ensure that all aspects of school life reflect its Catholic identity and ethos

- All Pax Christi policies and procedures mirror the mission statement of the Pax Christi Catholic Academy Trust
- All members of the Pax Christi community are actively encouraged to engage in Trust wide Acts of Worship
- All children in the Pax Christi Catholic Academy Trust make at least expected levels of progress in Religious education according to the NRCDES
- Opportunity for collaborative working on projects

To raise achievement and expectations in all key stages

- For all children in the Pax Christi Catholic Academy Trust to make expected or better than expected levels of progress in line with National expectations

To ensure there is a consistent approach from all leaders to drive improvement within all areas of school life

- For all children in the Pax Christi Catholic Academy Trust to make expected or better than expected levels of progress in line with National expectations

To achieve 90% of lessons in good and 40% outstanding typically

- 90% of teaching will be Good or Outstanding
- Pupil Premium students achieve a good level of development
- VA results demonstrate a positive residual
- Teaching judgements match student outcomes
- Work scrutiny demonstrates that children make good progress from their starting point

Each constituent Academy has provided a summary of its performance in the last year:

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

Secondary

**Christ The King
Catholic Voluntary
Academy**

Progress 8 (Overall)	-0.38
Progress 8 (English)	-0.12
Progress 8 (Maths)	-0.61
Attainment 8	42
Attainment 8 (English)	49
Attainment 8 (Maths)	40
% English and Maths 4+	61
% English and Maths 5+	33

Primary

	Holy Cross Primary Catholic Voluntary Academy	St Margaret Clithrow Catholic Primary School	The Good Shepherd Catholic Primary, Arnold	The Sacred Heart Primary Catholic Voluntary Academy
KS2 Attainment - Reading	71%	86%	81%	79%
KS2 Attainment - Writing	87%	79%	84%	79%
KS2 Attainment - Maths	71%	90%	75%	68%
KS2 Attainment - RWM	61%	72%	68%	57%
KS2 Progress - Reading	-2.8	-0.3	-0.1	1.0
KS2 Progress - Writing	-0.7	-1.4	0.5	1.0
KS2 Progress - Maths	-3.5	0.2	-0.4	-1.1

b. PUBLIC BENEFIT

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The Directors consider that the Trust's aims are demonstrably to the public benefit.

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

Strategic Report

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Academy Trust's key performance indicators for the year were:

Financial

- A year-end balance on restricted and unrestricted funds (excluding Pension and Fixed Asset reserves) equivalent to 60 days of the Academy Trusts total annual operating expenditure.
- The Academy Trusts total annual expenditure on staff costs (excluding supply) is 75% of its total incoming resources (excluding capital grants).
- The Academy Trust spends between 95% and 100% of its total incoming resources (excluding capital grants) within the year.

b. GOING CONCERN

The Trust has adopted the going concern basis in preparing the financial statements but in recognition of the transfer of the Trust's component academies to Our Lady of Lourdes Catholic Multi-Academy Trust on 1 September 2018.

c. FINANCIAL REVIEW

The Academy Trust received the majority of its recurring funding in the form of grants direct from the Education and Skills Funding Agency (ESFA) with monthly instalments paid to each Academy.

During the year ended 31 August 2018 the Trust's total expenditure was £11,519,092 (excluding depreciation of £164,019, which is charged to the restricted fixed asset fund). This compares to unrestricted and restricted income of £10,720,496 (excluding non-recurrent capital funding within the restricted fixed asset fund of £30,521). The sum of £616,672 was transferred from restricted fixed asset funds, being capital funding invested in the property of the schools but which has been treated as a grant to the ultimate owner of the school properties Nottingham Catholic Diocese Trustees. This gives a deficit for the year of £181,924 relating to restricted general funds (excluding actuarial movement on pension scheme) plus unrestricted funds, of which £1,167,897 is caused by the amount granted to the Diocese for property enhancement work.

Each Academy within the Trust has invested its entire recurrent grant funding in line with the principal objective of offering an outstanding Catholic education to all of its students.

At 31 August 2018, the restricted fixed asset fund stood at £376,022. Of this, £288,946 can only be realised by disposing of tangible fixed assets.

The Trust also held fund balances at 31 August 2018 which comprise of £1,278,061 restricted general funds (excluding pension reserve); a pension reserve deficit of £4,220,000 and £1,261,837 of unrestricted general funds.

The local government pension scheme inherited from the local authority is materially in deficit and steps are being taken to reduce this deficit over the longer term in line with professional advice from the scheme's actuary.

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

d. RESERVES POLICY

It is the intention of the Trustees that unrestricted liquid reserves are sufficient to ensure protection against both foreseen and unforeseen events which would place a strain on the day to day running of the Academy. Each Academy may choose to build up additional reserves to fund capital projects and to cover the cost of significant property maintenance.

e. INVESTMENT POLICY

The Trust aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. Cash deposits relating to amounts owned by the Trust may only be held in UK clearing banks unless specific approval is given by the Trustees.

All investment decisions are made by the Trusts' Investment Committee and are made with consideration for the Catholic nature of the Academy Trust.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The Trustees are responsible for identifying the risks faced by the Academy Trust, establishing procedures to manage these risks, and ensuring that employees are aware of those procedures and of the implications in failing to execute them. At each meeting of the Audit Committee, the Trustees review and update a centralised Risk Register, delegating the day-to-day management of risk in each of the constituent academies to the Local Governing Bodies. Risk management processes and practices are reviewed annually at each Academy.

Principal risks and actions to mitigate these risks

- Failure of the Academy Trust to recruit sufficient learners.
Mitigation: The Academy Trust operates a clear admissions policy alongside a strong marketing campaign to ensure that each of its constituent schools is full or extremely close to capacity.
- Uncertainty around central government funding.
Mitigation: The Academy Trust has in place a reserve fund to mitigate the impact of sudden changes to funding arrangements. The risk is minimised through careful planning and regular attendance at ESFA and Local Authority led briefings.
- Failure of the Academy Trust to comply with the requirements of the school and academies sector.
Mitigation: The Academy Trusts Accounting Officer and Chief Finance Officer monitor the financial operations of the trust on a monthly basis to ensure its operations are in line with the Academies Financial handbook published by the Education and Skills Funding Agency.

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

Fundraising

Funding for the operation and activities of the school is provided in the main by Government or other grants. There are minimal fundraising activities carried out and these are minor in nature and carried out within the school community to raise funds for an activity within the school. Consideration is given to protection of the public and vulnerable people from unreasonably intrusive or persistent fundraising approaches.

Plans for future periods

a. FUTURE DEVELOPMENTS

On the 1 September 2018, the academies in the Trust transferred to the Our Lady of Lourdes Catholic Multi-Academy Trust (formerly known as South Nottingham Catholic Academy Trust). The Our Lady of Lourdes Catholic Multi-Academy Trust expanded to incorporate 21 Catholic Schools across Nottingham and Nottinghamshire. The expanded Trust is part of a Diocesan wide plan to enable all schools to provide excellent educational standards, within a strong and supportive network, and to ensure that the Catholic education system in the Diocese of Nottingham is protected and developed for future generations of children. The new large MAT will be better able to deliver school to school support and through economies of scale be better able to deliver services to the schools in the CMAT.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian on behalf of others.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed of specific matters directly by management.

The Academy have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health and Safety Policy

In accordance with the Academy's Equal Opportunities Policy, the Academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

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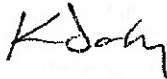
**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 20 December 2018 and was signed on the board's behalf by:



Mr KM Daly
Chair of Trustees

PAX CHRISTI CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Pax Christi 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 CEO, 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 Pax Christi 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 Trustees' Responsibilities Statement. 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
K Daly, Chair (appointed 31 August 2018)	0	0
P Bray (appointed 31 August 2018)	0	0
R Burke	1	3
C Cuomo	1	3
R Carter	2	3
R della-Spina	2	3
L Edwards	0	3
D England	1	3
J Fru	1	2
T Harding (appointed 31 August 2018)	0	0
J O'Boyle (appointed 22 November 2017)	0	1
C Reilly	1	3
N Stevenson (appointed 31 August 2018)	0	0
K Taylor	2	3
M Williams	1	3
D Wilson	2	3
Fr P Ziomek	1	3

Governance reviews:

Each local governing body undertakes an annual skills audit to ensure the needs of the school are met and that the governing body is appropriately skilled to hold each individual school to account.

As part of the composition of the Executive Committee, the Bishop has the ability to appoint his own Trustees, thus ensuring the Catholic Foundation of the Academy Trust and its constituent academies.

The appointment of new directors to this Board has been in accordance with the Articles of Association. The membership has a broad expertise in education and finance ensuring that the objects of the Trust are being met at all levels.

PAX CHRISTI CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- A Quality Assurance System to measure results, monitor target academic achievement and calculate improvements throughout the Trust. The results of these assessments will be used to formulate the School Improvement Plan and the Annual Budget for the following academic year.
- An ongoing analysis and review of attainment which form the basis of how the school deploys its assets for the maximising of educational attainment at the best value possible.
- The Governors and senior leaders in each school review the use of financial assets on a termly basis.
- A commitment to internal control including:
 - Ensuring that all action plans are effectively budgeted
 - New resource procurement is subject to competition.
 - Training is given to staff on effective capitation bidding within each school.
 - Monitoring the effectiveness of major purchases by the Local Governing Body in line with raising standards and compliance with the School Improvement Plan.
 - Ensuring each Local Governing Body is fully involved through the reporting of the Finance and that all Governors are kept informed of the financial position through termly reports.
 - Full cooperation of the business management function.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

PAX CHRISTI CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

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GOVERNANCE STATEMENT (continued)

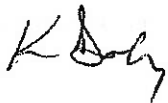
REVIEW OF EFFECTIVENESS

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

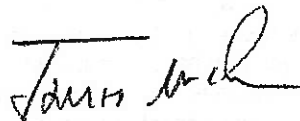
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 20 December 2018 and signed on its behalf, by:



Mr KM Daly
Chair of Trustees



MR JW McGeachie
Accounting Officer

PAX CHRISTI CATHOLIC ACADEMY TRUST

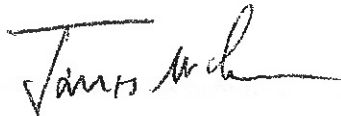
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr JW McGeachie
Accounting Officer

20 December 2018

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Pax Christi 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 (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 20 December 2018 and signed on its behalf by:



Mr KM Daly
Chair of Trustees

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PAX
CHRISTI CATHOLIC ACADEMY TRUST**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.6 in the financial statements, which indicates that because of the transfer of schools out of the Trust at book value to Our Lady of Lourdes Catholic Multi-Academy Trust on 1 September 2018, the Pax Christi Catholic Academy Trust is no longer a going concern. These financial statements have been prepared on a going concern basis but in recognition of the fact that no assets or liabilities were held by Pax Christi immediately pursuant to the balance sheet date. Our opinion is not modified in respect of this matter.

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PAX
CHRISTI CATHOLIC ACADEMY TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PAX
CHRISTI CATHOLIC ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

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

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

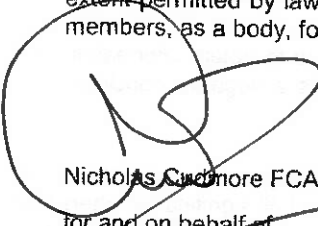
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of

Duncan & Topliss Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

21st December 2018

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO PAX CHRISTI
CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 November 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pax Christi Catholic Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF PAX CHRISTI CATHOLIC ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of Pax Christi Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 9 February 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO PAX CHRISTI
CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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



Nicholas Dutton FCA (Senior statutory auditor)

for and on behalf of

Duncan & Topliss Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date: 21st December 2018

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	22,388	135,265	30,521	188,174	1,196,206
Charitable activities:	3					
Funding for the academy trust's educational operations		-	9,825,410	-	9,825,410	8,946,790
Other trading activities	4	618,169	111,505	-	729,674	623,070
Investments	5	7,759	-	-	7,759	3,979
TOTAL INCOME		648,316	10,072,180	30,521	10,751,017	10,770,045
EXPENDITURE ON:						
Raising funds		16,165	-	-	16,165	13,193
Academy trust educational operations		461,771	11,041,156	164,019	11,666,946	10,607,641
TOTAL EXPENDITURE	6	477,936	11,041,156	164,019	11,683,111	10,620,834
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	170,380 (12,790)	(968,976) 629,462	(133,498) (616,672)	(932,094) -	149,211 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		157,590	(339,514)	(750,170)	(932,094)	149,211
Actuarial gains on defined benefit pension schemes	22	-	1,138,000	-	1,138,000	141,000
NET MOVEMENT IN FUNDS		157,590	798,486	(750,170)	205,906	290,211
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,104,247	(3,740,425)	1,126,192	(1,509,986)	(1,800,197)
TOTAL FUNDS CARRIED FORWARD		1,261,837	(2,941,939)	376,022	(1,304,080)	(1,509,986)

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08192900

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		288,946	300,671
CURRENT ASSETS				
Debtors	14	864,210	1,169,251	
Cash at bank and in hand		2,786,576	2,795,005	
		<u>3,650,786</u>	<u>3,964,256</u>	
CREDITORS: amounts falling due within one year	15	<u>(934,916)</u>	<u>(1,058,195)</u>	
NET CURRENT ASSETS			2,715,870	2,906,061
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,004,816</u>	<u>3,206,732</u>
CREDITORS: amounts falling due after more than one year	16		<u>(88,896)</u>	<u>(104,718)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			2,915,920	3,102,014
Defined benefit pension scheme liability	22		<u>(4,220,000)</u>	<u>(4,612,000)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u><u>(1,304,080)</u></u>	<u><u>(1,509,986)</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	1,278,061	871,575	
Restricted fixed asset funds	17	<u>376,022</u>	<u>1,126,192</u>	
Restricted income funds excluding pension liability		1,654,083	1,997,767	
Pension reserve		<u>(4,220,000)</u>	<u>(4,612,000)</u>	
Total restricted income funds			<u>(2,565,917)</u>	<u>(2,614,233)</u>
Unrestricted income funds	17		<u>1,261,837</u>	<u>1,104,247</u>
TOTAL DEFICIT			<u><u>(1,304,080)</u></u>	<u><u>(1,509,986)</u></u>

The financial statements on pages 24 to 55 were approved by the Trustee, and authorised for issue, on 20 December 2018 and are signed on their behalf, by:

Mr KM Daly
Chair of Trustees



The notes on pages 27 to 55 form part of these financial statements.

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	113,497	(578,187)
Cash flows from investing activities:			
Dividends, interest and rents from investments		7,759	3,979
Purchase of tangible fixed assets		(152,294)	(126,765)
Capital grants from DfE Group		30,521	1,019,224
Net cash (used in)/provided by investing activities		(114,014)	896,438
Cash flows from financing activities:			
Repayments of borrowings		(7,912)	-
Cash inflows from new borrowing		-	112,630
Net cash (used in)/provided by financing activities		(7,912)	112,630
Change in cash and cash equivalents in the year		(8,429)	430,881
Cash and cash equivalents brought forward		2,795,005	2,364,124
Cash and cash equivalents carried forward	20	2,786,576	2,795,005

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Pax Christi Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are the Trustees named on page 10. 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 Academy at the discretion of the Trustees.

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

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

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustee assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustee 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 because of the transfer of schools out of the Trust at book value to Our Lady of Lourdes Catholic Multi-Academy Trust on 1 September 2018 the Pax Christi Catholic Academy Trust is no longer a going concern. These financial statements have been prepared on a going concern basis but having regard to the fact that no assets or liabilities are held by Pax Christi on the day after the balance sheet date.

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

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

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

Furniture and fixtures	- 20% straight line
------------------------	---------------------

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

1.8 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 Debtors

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

1.10 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.

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Taxation

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

1.14 Pensions

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

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

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.15 Agency arrangements

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

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	22,388	-	-	22,388	78,666
Capital Grants	-	-	30,521	30,521	1,019,224
School trips income	-	135,265	-	135,265	98,316
	<u>22,388</u>	<u>135,265</u>	<u>30,521</u>	<u>188,174</u>	<u>1,196,206</u>
<i>Total 2017</i>	<u>29,184</u>	<u>98,316</u>	<u>1,068,706</u>	<u>1,196,206</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,266,716	8,266,716	8,142,521
Pupil Premium	-	290,420	290,420	293,896
Other DfE/ESFA Revenue grants	-	247,800	247,800	202,222
	<u>-</u>	<u>8,804,936</u>	<u>8,804,936</u>	<u>8,638,639</u>
Other government grants				
SEN 1-1 Funding	-	555,846	555,846	296,101
Other Local Authority revenue grants	-	-	-	12,050
	<u>-</u>	<u>555,846</u>	<u>555,846</u>	<u>308,151</u>
Other funding				
Capital maintenance grant	-	451,016	451,016	-
Other income revenue	-	13,612	13,612	-
	<u>-</u>	<u>464,628</u>	<u>464,628</u>	<u>-</u>
	<u>-</u>	<u>9,825,410</u>	<u>9,825,410</u>	<u>8,946,790</u>
<i>Total 2017</i>	<u>-</u>	<u>8,946,790</u>	<u>8,946,790</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	280,347	-	280,347	297,710
Sale of goods	7,040	-	7,040	6,196
Receipts from staff insurance	-	111,505	111,505	69,754
Lettings income	33,973	-	33,973	52,165
Other income	296,809	-	296,809	197,245
	<u>618,169</u>	<u>111,505</u>	<u>729,674</u>	<u>623,070</u>
<i>Total 2017</i>	<u>553,316</u>	<u>69,754</u>	<u>623,070</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank account interest	7,759	-	7,759	3,979
	<u>7,759</u>	<u>-</u>	<u>7,759</u>	
<i>Total 2017</i>	<u>3,979</u>	<u>-</u>	<u>3,979</u>	

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	8,914	8,914	8,732
Support costs	-	-	-	-	-
Expenditure on fundraising trading					
Direct costs	-	-	7,251	7,251	4,461
Support costs	-	-	-	-	-
Funding for the academy:					
Direct costs	6,748,416	164,019	844,835	7,757,270	7,389,405
Support costs	1,366,066	571,658	804,055	2,741,779	2,625,909
	<u>8,114,482</u>	<u>735,677</u>	<u>1,665,055</u>	<u>10,515,214</u>	<u>10,028,507</u>
Total 2017	<u>7,685,406</u>	<u>1,032,701</u>	<u>1,310,400</u>	<u>10,028,507</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Funding for the academy trust's educational operations	7,757,270	1,167,897	2,741,779	11,666,946	10,607,641
Total 2017	<u>7,391,155</u>	<u>590,577</u>	<u>2,625,909</u>	<u>10,607,641</u>	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	324,886	324,886	302,146
Technology costs	110,047	110,047	59,728
Examination fees	79,643	79,643	83,724
Staff development	53,857	53,857	58,039
Educational consultancy	98,797	98,797	68,304
Other costs	177,605	177,605	160,486
Wages and salaries	5,099,904	5,099,904	5,010,000
National insurance	460,227	460,227	468,868
Pension cost	1,188,285	1,188,285	999,507
Depreciation	164,019	164,019	180,353
	<u>7,757,270</u>	<u>7,757,270</u>	<u>7,391,155</u>
<i>At 31 August 2017</i>	<u>7,391,155</u>	<u>7,391,155</u>	

Analysis of support costs

	Educational operations £	Total 2018 £	Total 2017 £
Staff costs	1,366,066	1,366,066	1,207,031
Technology costs	81,305	81,305	91,240
Recruitment and support	4,400	4,400	5,190
Maintenance of premises and equipment	85,833	85,833	99,812
Cleaning	125,401	125,401	113,724
Rent and rates	102,132	102,132	64,916
Energy costs	113,854	113,854	111,264
Insurance	132,079	132,079	140,013
Security	12,359	12,359	16,938
Transport	1,984	1,984	845
Telephone, postage and stationery	37,959	37,959	39,107
Catering	388,748	388,748	426,732
Other costs	154,797	154,797	131,732
Operating leases - other	14,630	14,630	12,132
Auditors' remuneration	19,713	19,713	27,579
Legal and professional fees	100,519	100,519	137,654
	<u>2,741,779</u>	<u>2,741,779</u>	<u>2,625,909</u>
<i>At 31 August 2017</i>	<u>2,625,909</u>	<u>2,625,909</u>	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

During the year ended 31 August 2018, the Academy incurred the following Governance costs:

£120,232 (2017 - £165,233) included within the table above in respect of Funding for the Academy's Educational Operations.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	164,019	180,353
Auditors' remuneration - audit	19,713	20,099
Auditors' remuneration - other services	-	7,480
Operating lease rentals	14,630	12,132
	<u>198,362</u>	<u>220,064</u>

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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,802,992	5,705,442
Social security costs	517,778	522,105
Operating costs of defined benefit pension schemes	1,594,390	1,307,391
	<u>7,915,160</u>	<u>7,534,938</u>
Agency staff costs	199,322	150,468
	<u><u>8,114,482</u></u>	<u><u>7,685,406</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	93	91
Admin and support	181	182
Management	5	5
	<u>279</u>	<u>278</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	77	78
Admin and support	129	118
Management	16	5
	<u>222</u>	<u>201</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

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9. STAFF COSTS (continued)

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these members of staff amounted to £72,528 (2017 - £74,852).

d. Key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £505,546 (2017: £1,006,931).

10. CENTRAL SERVICES

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

- Financial/Accounting Services
- Human Resources
- IT Services
- Facilities

The Academy charges for these services on the following basis:

During the year various costs were incurred by one school in the trust, these costs are invoiced to other schools in the Trust. these transactions have been eliminated from the accounts as inter-trust transactions. The charges raised are calculated as 3.5% of GAG

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Christ the King Catholic Voluntary Academy	152,906	126,969
Sacred Heart Primary Catholic Voluntary Academy	33,517	27,470
St Margaret Clitherow Primary and Nursery Catholic Voluntary Academy	37,163	31,141
The Good Shepherd Catholic Primary Voluntary Academy	60,047	49,892
Holy Cross Primary Catholic Voluntary Academy	37,526	30,177
Total	<u>321,159</u>	<u>265,649</u>

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11. TRUSTEE'S REMUNERATION AND EXPENSES

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

		2018 £'000	2017 £'000
Mr C Cuomo (Principal)	Remuneration	100-105	100-105
	Pension contributions paid	15-20	15-20
Mrs M Williams (Staff trustee)	Remuneration	65-70	65-70
	Pension contributions paid	10-15	10-15
Mrs C Reilly (Staff trustee)	Remuneration	60-65	85-90
	Pension contributions paid	10-15	10-15
Mr R Della-Spina (Staff trustee)	Remuneration	60-65	60-65
	Pension contributions paid	10-15	10-15
Mrs K Taylor (Staff trustee)	Remuneration	55-60	55-60
	Pension contributions paid	5-10	0-5

During the year ended 31 August 2018, expenses totalling £2,625 (2017 - £2,928) were reimbursed to 5 Trustees (2017 - 6).

12. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £3,200 (2017 - £3,200).

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13. TANGIBLE FIXED ASSETS

	Furniture and fixtures £	Plant and equipment £	Total £
Cost			
At 1 September 2017	271,720	593,703	865,423
Additions	63,614	88,680	152,294
At 31 August 2018	<u>335,334</u>	<u>682,383</u>	<u>1,017,717</u>
Depreciation			
At 1 September 2017	152,696	412,056	564,752
Charge for the year	56,574	107,445	164,019
At 31 August 2018	<u>209,270</u>	<u>519,501</u>	<u>728,771</u>
Net book value			
At 31 August 2018	<u>126,064</u>	<u>162,882</u>	<u>288,946</u>
At 31 August 2017	<u>119,024</u>	<u>181,647</u>	<u>300,671</u>

School buildings and the land on which they are situated are owned by Nottingham Catholic Diocesan Trustees but are occupied by the academies under licence.

Capital improvements to the site paid for by the school will be recognised as a grant to the Nottingham Catholic Diocesan Trustees. During the year the total grant recognised was £1,167,897 (2017 - £590,577).

14. DEBTORS

	2018 £	2017 £
Trade debtors	58,215	65,260
VAT recoverable	173,324	254,410
Other debtors	79,222	205,093
Prepayments and accrued income	553,449	644,488
	<u>864,210</u>	<u>1,169,251</u>

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15. CREDITORS: Amounts falling due within one year

	2018 £	2017 (As restated) £
Other loans	15,824	7,912
Trade creditors	20,426	500,053
Other creditors	30,084	20,694
Accruals and deferred income	868,582	529,536
	<u>934,916</u>	<u>1,058,195</u>

Deferred income relates to the receipt of SEN 1-1 Funding, CIF, UIFSM funding, Local Authority grants and school trip income that is in relation to the following financial year.

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	385,692	183,020
Resources deferred during the year	297,436	385,692
Amounts released from previous years	(385,692)	(183,020)
Deferred income at 31 August 2018	<u>297,436</u>	<u>385,692</u>

Prior period adjustment:

During the current year the comparative figures have been amended to reanalyse salix loan balance between less than and more than one year.

16. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 (As restated) £
Other loans	<u>88,896</u>	<u>104,718</u>
Included within the above are amounts falling due as follows:		
	2018 £	2017 £
Between one and two years		
Other loans	<u>15,824</u>	<u>15,824</u>
Between two and five years		
Other loans	<u>47,472</u>	<u>47,471</u>
Over five years		
Other loans	<u>25,600</u>	<u>41,423</u>

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16. CREDITORS: Amounts falling due after more than one year (continued)

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

	2018 £	2017 £
Repayable by instalments	<u>25,600</u>	<u>41,423</u>

Included within creditors are loans totalling £104,720 (2017 - £112,630) from Salix which are repayable by way of half-yearly instalments over a seven or eight year period from the date of advance.

Prior period adjustment:

During the current year the comparative figures have been amended to reanalyse salix loan balance between less than and more than one year.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Other income for general purposes	1,104,247	648,316	(477,936)	(12,790)	-	1,261,837
Restricted funds						
General Annual Grant (GAG)	774,122	8,266,715	(8,823,297)	647,899	-	865,439
Capital maintenance grant	-	451,016	(160,030)	-	-	290,986
Other DfE/ESFA Grants	63,688	538,220	(530,010)	(4,920)	-	66,978
Government grants	31,522	555,846	(555,846)	-	-	31,522
Other income	2,243	260,383	(225,973)	(13,517)	-	23,136
Pension reserve	(4,612,000)	-	(746,000)	-	1,138,000	(4,220,000)
	<u>(3,740,425)</u>	<u>10,072,180</u>	<u>(11,041,156)</u>	<u>629,462</u>	<u>1,138,000</u>	<u>(2,941,939)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	660,670	30,521	(59,953)	(450,695)	-	180,543
Capital expenditure from GAG	136,066	-	(91,963)	119,554	-	163,657
Capital expenditure from other income	329,456	-	(12,103)	(285,531)	-	31,822
	<u>1,126,192</u>	<u>30,521</u>	<u>(164,019)</u>	<u>(616,672)</u>	<u>-</u>	<u>376,022</u>
Total restricted funds	<u>(2,614,233)</u>	<u>10,102,701</u>	<u>(11,205,175)</u>	<u>12,790</u>	<u>1,138,000</u>	<u>(2,565,917)</u>
Total of funds	<u>(1,509,986)</u>	<u>10,751,017</u>	<u>(11,683,111)</u>	<u>-</u>	<u>1,138,000</u>	<u>(1,304,080)</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

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17. STATEMENT OF FUNDS (continued)

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £871,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,138,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Christ the King Catholic Voluntary Academy	1,357,984	923,152
Sacred Heart Primary Catholic Voluntary Academy	193,609	118,607
St Margaret Clitherow Primary and Nursery Catholic Voluntary Academy	382,529	327,490
The Good Shepherd Primary Catholic Voluntary Academy	304,669	350,042
Holy Cross Primary Catholic Voluntary Academy	278,190	236,814
Central Function	22,917	19,717
Total before fixed asset fund and pension reserve	2,539,898	1,975,822
Restricted fixed asset fund	376,022	1,126,192
Pension reserve	(4,220,000)	(4,612,000)
Total	<u>(1,304,080)</u>	<u>(1,509,986)</u>

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17. 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 2018 £	Total 2017 £
Christ the King Catholic Voluntary Academy	3,448,359	657,398	173,423	900,762	5,179,942	4,955,785
Sacred Heart Primary Catholic Voluntary Academy	728,940	106,620	30,991	207,233	1,073,784	1,059,925
St Margaret Clitherow Primary and Nursery Catholic Voluntary Academy	805,635	111,345	19,053	323,960	1,259,993	1,144,004
The Good Shepherd Primary Catholic Voluntary Academy	1,104,690	166,435	51,148	1,164,071	2,486,344	1,741,239
Holy Cross Primary Catholic Voluntary Academy	674,390	133,120	32,209	350,146	1,189,865	1,270,592
Central Function	54,626	223,888	74	50,576	329,164	258,045
	<u>6,816,640</u>	<u>1,398,806</u>	<u>306,898</u>	<u>2,996,748</u>	<u>11,519,092</u>	<u>10,429,590</u>

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Other income for general purposes	959,759	586,479	(441,991)	-	-	1,104,247
Restricted funds						
General Annual Grant (GAG)	1,040,147	8,142,521	(8,493,820)	85,274	-	774,122
Other DfE/ESFA Grants	39,604	496,118	(483,501)	11,467	-	63,688
Government grants	15,561	308,151	(382,982)	90,792	-	31,522
Other income	1,248	168,070	(168,187)	1,112	-	2,243
Pension reserve	(4,283,000)	-	(470,000)	-	141,000	(4,612,000)
	<u>(3,186,440)</u>	<u>9,114,860</u>	<u>(9,998,490)</u>	<u>188,645</u>	<u>141,000</u>	<u>(3,740,425)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	-	1,068,706	(106,689)	(301,347)	-	660,670
Capital expenditure from GAG	91,627	-	(59,913)	104,352	-	136,066
Capital expenditure from other income	334,857	-	(13,751)	8,350	-	329,456
	<u>426,484</u>	<u>1,068,706</u>	<u>(180,353)</u>	<u>(188,645)</u>	<u>-</u>	<u>1,126,192</u>
Total restricted funds	<u>(2,759,956)</u>	<u>10,183,566</u>	<u>(10,178,843)</u>	<u>-</u>	<u>141,000</u>	<u>(2,614,233)</u>
Total of funds	<u>(1,800,197)</u>	<u>10,770,045</u>	<u>(10,620,834)</u>	<u>-</u>	<u>141,000</u>	<u>(1,509,986)</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Other income for general purposes	959,759	1,234,795	(919,927)	(12,790)	-	1,261,837
Restricted funds						
General Annual Grant (GAG)	1,040,147	16,409,236	(17,317,117)	733,173	-	865,439
	-	451,016	(160,030)	-	-	290,986
Other DfE/ESFA Grants	39,604	1,034,338	(1,013,511)	6,547	-	66,978
Government grants	15,561	863,997	(938,828)	90,792	-	31,522
Other income	1,248	428,453	(394,160)	(12,405)	-	23,136
Pension reserve	(4,283,000)	-	(1,216,000)	-	1,279,000	(4,220,000)
	<u>(3,186,440)</u>	<u>19,187,040</u>	<u>(21,039,646)</u>	<u>818,107</u>	<u>1,279,000</u>	<u>(2,941,939)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	-	1,099,227	(166,642)	(752,042)	-	180,543
Capital expenditure from GAG	91,627	-	(151,876)	223,906	-	163,657
Capital expenditure from other income	334,857	-	(25,854)	(277,181)	-	31,822
	<u>426,484</u>	<u>1,099,227</u>	<u>(344,372)</u>	<u>(805,317)</u>	<u>-</u>	<u>376,022</u>
	<u>(2,759,956)</u>	<u>20,286,267</u>	<u>(21,384,018)</u>	<u>12,790</u>	<u>1,279,000</u>	<u>(2,565,917)</u>
Total of funds	<u><u>(1,800,197)</u></u>	<u><u>21,521,062</u></u>	<u><u>(22,303,945)</u></u>	<u><u>-</u></u>	<u><u>1,279,000</u></u>	<u><u>(1,304,080)</u></u>

PAX CHRISTI CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	288,946	288,946
Current assets	1,261,837	2,301,873	87,076	3,650,786
Creditors due within one year	-	(934,916)	-	(934,916)
Creditors due in more than one year	-	(88,896)	-	(88,896)
Provisions for liabilities and charges	-	(4,220,000)	-	(4,220,000)
	<u>1,261,837</u>	<u>(2,941,939)</u>	<u>376,022</u>	<u>(1,304,080)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	300,671	300,671
Current assets	1,104,247	2,034,488	825,521	3,964,256
Creditors due within one year	-	(1,050,283)	-	(1,050,283)
Creditors due in more than one year	-	(112,630)	-	(112,630)
Provisions for liabilities and charges	-	(4,612,000)	-	(4,612,000)
	<u>1,104,247</u>	<u>(3,740,425)</u>	<u>1,126,192</u>	<u>(1,509,986)</u>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(932,094)	149,211
Adjustment for:		
Depreciation charges	164,019	180,353
Dividends, interest and rents from investments	(7,759)	(3,979)
Decrease/(increase) in debtors	305,041	(742,665)
(Decrease)/increase in creditors	(131,189)	388,117
Capital grants from DfE and other capital income	(30,521)	(1,019,224)
Defined benefit pension scheme cost less contributions payable	630,000	379,000
Defined benefit pension scheme finance cost	116,000	91,000
Net cash provided by/(used in) operating activities	<u>113,497</u>	<u>(578,187)</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank	2,786,576	2,795,005
Total	<u>2,786,576</u>	<u>2,795,005</u>

21. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value of at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £588,934 (2017 - £601,608).

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22. PENSION COMMITMENTS (continued)

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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £497,000 (2017 - £435,000), of which employer's contributions totalled £376,000 (2017 - £329,000) and employees' contributions totalled £121,000 (2017 - £106,000). The agreed contribution rates for future years are 18.3% for employers and 2.75% to 9.9% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(221,000)	(212,000)
Discount rate - 0.1%	227,000	219,000
Mortality assumption - 1 year increase	311,000	288,000
Mortality assumption - 1 year decrease	(301,000)	(279,000)
CPI rate +0.1%	202,000	205,000
CPI rate -0.1%	(198,000)	(200,000)

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,337,000	2,952,000
Debt instruments	544,000	537,000
Property	716,000	520,000
Cash	94,000	94,000
Gilts	144,000	142,000
Other	346,000	218,000
Total market value of assets	<u>5,181,000</u>	<u>4,463,000</u>

The actual return on scheme assets was £302,000 (2017 - £545,000).

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

	2018 £	2017 £
Current service cost	(871,000)	(708,000)
Past service cost	(135,000)	-
Admin expenses	1,000	1,000
Total	<u>(1,005,000)</u>	<u>(707,000)</u>
Actual return on scheme assets	<u>302,000</u>	<u>545,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	9,075,000	7,945,000
Current service cost	871,000	708,000
Interest cost	236,000	176,000
Employee contributions	121,000	106,000
Actuarial (gains)/losses	(957,000)	182,000
Benefits paid	(80,000)	(42,000)
Past service costs	135,000	-
Closing defined benefit obligation	<u>9,401,000</u>	<u>9,075,000</u>

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

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

	2018 £	2017 £
Opening fair value of scheme assets	4,463,000	3,662,000
Interest income	121,000	85,000
Actuarial losses	181,000	323,000
Employer contributions	376,000	329,000
Employee contributions	121,000	106,000
Benefits paid	(80,000)	(42,000)
Admin expense	(1,000)	-
	<u>5,181,000</u>	<u>4,463,000</u>
Closing fair value of scheme assets		

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	3,281	7,238
Between 1 and 5 years	1,072	2,369
	<u>4,353</u>	<u>9,607</u>
Total		

24. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Trust made payments to Nottingham Roman Catholic Diocesan Education Service. This is a not for profit organisation and the majority of the payments comprise the annual contribution to the service which is based on pupil numbers.

The Trust also made purchases from Freedom and Autonomy for Schools National Association (FASNA), a company in which D Wilson is a director, totalling £870 (2017: £2,460). The year end balance owing to FASNA was £Nil (2017: £275).

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £8,630 and disbursed £1,578 from the fund. At the point of transfer of academies out of the Trust, £7,052 was owing to students.

27. CONTROLLING PARTY

The members as a body have control of the Academy Trust. There is no single controlling party.

28. TRANSFER OUT ON ACADEMIES LEAVING THE TRUST

On 1 September 2018 all schools within Pax Christi Catholic Academy Trust transferred over for £Nil consideration to Our Lady of Lourdes Catholic Multi-Academy Trust. Pax Christi became an inactive company from that date.

