

St Augustine's Catholic Academy Trust

Registered number: 08169229

Governors report and financial statements

For the year ended 31 August 2016



ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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ST AUGUSTINE'S CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS
AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Bishop of Nottingham Father C Thomas Father M Hardy
Sponsor	Nottingham Roman Catholic Diocesan Education Service
Trustees	D Barnes C Bligh C Caille Rev A M Cole, Chair K Daly A Glynne-Jones, Vice Chair M Sewell Rev A Sullivan C Tambini D Clarke J Welsh M Poyser (appointed 1 September 2015)
Company secretary	T Moore
Principal and registered office	Park Avenue Mapperley Road Nottingham NG3 4JS
Company registered number	08169229
Company name	St Augustines Catholic Academy Trust
Independent auditor	Mazars LLP Chartered Accountants Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Lloyds PLC Old Market Square House Nottingham Nottinghamshire NG1 6FD
Senior management team	C Caille, Head Teacher H Brinsley-Day, SENCO G Barker, Deputy Head Teacher D Barnes, Assistant Head

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area of Mapperley and St Anne's Nottingham. It has a pupil capacity of 341 and had a roll of 331 on 14 November 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

The Governors of St Augustine's Catholic Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St Augustine's Catholic Academy Trust.

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

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.

Governors' indemnities

The Governors have appropriate indemnity cover in place.

Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The election of Governors is as follows:

- Parent Governors are elected by members of the parent community
- Staff Governors are elected by all staff, either teaching or support staff in the ratio of 1 teaching and 1 non teaching representative
- Foundation Governors are appointed by the founding body, the church or NRCDES
- The Headteacher is a member of the governing body by virtue of his/her office and counts as a member of the staff category

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Governors

On appointment each Governor is provided with a package of information including our Governor Handbook. All new Governors are encouraged to attend the induction training.

Organisational structure

The members of the Academy Trust will form the basis of the governing body of the academy, including two staff and two parent governors, initially elected in the first half term/term of the academy's existence. The governing body will be responsible for the strategic direction of the academy. Its role will be to set the overall direction for the academy, to monitor and evaluate its overall performance and determine key policies. The governing body will ensure that the academy's self evaluation works effectively to determine key priorities, while ensuring that the academy's values are fully represented in long term, medium term and short term planning.

The governing body will have clear focuses on raising standards, including for vulnerable groups of pupils the curriculum, teaching and learning, staffing, recruitment and pay, finances and assets safeguarding, health and safety pupils' behaviour and personal development relationships with parents, the diocese and the wider community.

The governing body structure consists of a series of committees that meet on a termly basis to look at particular areas of policy and development as follows:

- 1) Finance, staffing and premises: review the academy's budget, staffing, pay levels, recruitment and premises including health & safety. The link senior leader for this committee is the Business Manager.
- 2) Pupils and academy ethos committee: maintaining and improving the academy's ethos and all pupil-focused matters such as attendance, behaviour, and collective worship. This will allow governors to focus in depth on specific areas. The link senior leader for this committee is the SENCo and Assistant Head teacher.
- 3) Standards and strategic development committee: includes a strong focus on holding the academy to account for standards and achievement and on using self evaluation to planning for improvement, including school level curriculum planning. The link senior leader for this committee is the Deputy Head teacher.

The composition of the committees will be based on the skills and expertise of governors. Each committee will have a named senior leader, in addition to the head teacher, to support the relevant committee in their discussions and decision making. Roles and responsibilities within each committee will be clearly defined, based on agreed targets and the responsibility of the committee.

All governors will be expected to familiarise themselves with the work of the academy, where possible through daytime visits to see the academy at work. Each governor will have a link with one of the four teaching teams, with a major area of the curriculum such as literacy, or with a theme such as the academy's support for vulnerable pupils. Team leaders and subject coordinators will be expected to report to a relevant committee annually.

The governors delegate the day to day running of the academy to a senior leadership team, with a group of middle leaders taking responsibility for a particular age group and modelling the academy's values and mission at all times. The senior leadership team of the academy will consist of the head teacher, a deputy head teacher, an assistant head teacher, the special educational needs coordinator and the academy's business manager. The academy's leaders will focus relentlessly on improving pupils' achievement, building relationships and trust and reinforcing the school's positive ethos

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The academy's school group size 3 has been agreed with governors as per the DfE School Teachers Pay and Conditions Document 2016. This reflects the pay ranges for the Senior Leadership Team.

The governors review and adopt a pay and appraisal policy on a yearly basis. This agrees all salary scales within the Academy and is similar to local pay and conditions. The Headteacher and senior leadership team are set objectives and targets and these are reviewed by the NRCDES Sponsor Governors. The Pay Committee meet yearly and they review, challenge and agree staff salary grades.

Related Parties and other Connected Charities and Organisations

The Nottingham Roman Catholic Diocesan Education Service (NRCDES)

NRCDES is sponsor to the academy. NRCDES promotes its distinctive Catholic values ethos in the academy, develops with the academy a clear educational vision, and ensures that the governance arrangements are securely focused in improvement. Diocesan staff and/or consultants identified by NRCDES, as noted in the expression of interest, will also support the academy in:

- a Continuing to promote our distinctive Catholic value and ethos.
- b Helping to articulate a clear educational vision that champions the ability of all children to achieve their potential and has buy-in at all levels in school.
- c Recruitment, retention and development of successful school leaders with a commitment to nurturing their own professional and personal faith development.
- d Development effective governance arrangements.
- e Providing strong challenge and support to school leadership, ensuring that the infrastructure and systems for effective leadership and management are in place, to secure rapid improvement.
- f Monitoring clearly defined aspirational and challenging targets and ensuring improvement in performance.
- g Effective partnerships with key stakeholders, particularly with our outstanding schools an dacademies and with Catholic and other Teaching schools.
- h Providing coherent strategic planning for the development of the school.
- i Promoting sound financial management skills and rigorously pursuing value for money.

St. Barnabas Catholic Academy Trust – (The Trinity Family of Catholic Schools)

As part of the Trinity Family of Catholic Schools, St Augustine's will continue the close working relationships it has with other schools in the family, in particular over transfer to secondary education at The Trinity. The head teacher and chair of the governing body of St Augustine's are trustees of the St. Barnabas Catholic Academy Trust that the other schools in the family are forming, and will be able to maintain close contact among the group of head teacher and chairs of governors. The other academies involved in this trust are all good or outstanding schools, and St Augustine's will make effective use of the support they can offer.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objects of the academy are:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such ("the Academies") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by an Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop; and

(b) to promote for the benefit of individuals living in the parishes of: St Augustine, Apostle of England, Nottingham, Cathedral Church of St Barnabas, Nottingham and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

The academy's mission statement – Learning to Serve

We believe that each person is made in the image and likeness of God, and is called to develop their full potential throughout their life, and so serve God and the common good. Rooted in Jesus Christ, inspired by the values of his Gospel of love, forgiveness, courage, justice, compassion and hope, and in accordance with the teaching of the Catholic Church, St Augustine's Academy will ensure that this vision is at the centre of our work by achieving the highest possible standards in everything we do. The ethos of the academy will create an ethos in which we:

- Nurture our pupils and help them to develop their God given potential so that they can live life to the full
- Value each and every pupil for who they are, and help them to grow spiritually, morally, socially and academically
- Provide a welcoming environment in which every child can feel happy, safe, confident and cared for
- Place the values of the Gospel at the heart of the academy's life in the celebration of Mass, prayers, relationship and curriculum
- Strive to ensure every pupil achieves the highest possible standards, taking into account their abilities and individual needs
- Foster tolerance and understanding in relation to the many faiths and cultures which make up our society
- Promote high quality teaching which enables pupils to become independent and cooperative learners
- Provide a curriculum which is creative, makes use of new technologies and inspires children to become lifelong learners
- Work in partnership with the parishes and families which it serves
- Help our pupils to learn to serve God and others so that they can take their rightful place in the wider community

The academy provides the full range of subjects of the primary National Curriculum and denominational (Catholic) collective worship and religious education (RE), along with personal, social and health education, which will encompass citizenship and multicultural education. In the Early Years Foundation Stage (Nursery and Reception classes), we use the new statutory framework (September 2012).

We place a strong focus on language development so that our children are in the best possible position to gain access to the full curriculum from the earliest age. This involves beginning teaching literacy skills, including phonics, and numeracy skills from the Nursery year upwards. Outside English and Mathematics, planning is done on a two year cycle of topics or themes, to accommodate the necessity to have one mixed age class in each of Y1/2, Y3/4 and Y5/6, moving to a skills based approach.

In addition to the development of basic skills in literacy, numeracy and ICT, we developed a broader range of skills aligned with personal, learning and thinking skills (often known as PLTS). This means we will redesign the curriculum outside English, Mathematics and RE to develop pupils' subject knowledge and understanding through approaches based on research, investigation, exploration and inter dependent and independent learning.

The academy's aim in developing the creative curriculum is to move from a standard, subject led approach to one in which subject knowledge is gained through innovative approaches to learning. We will move from a teacher led approach to one where pupils take much more responsibility for learning through, for example, research, problem solving and investigation. This implies a significant move from class and individual work to paired and group practices where pupils are interdependent as well as independent learners. This will be led in house by the head teacher.

In addition to this, the acquisition of language, respect for and learning about other countries and cultures, and an international outlook are inherent to the school's ethos and approach to learning. Diversity is celebrated and valued.

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

Public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commissions general guidelines in public benefit.

The academy looks to promote for the benefit of individuals living in the parishes of: St Augustine, Apostle of England, Nottingham, Cathedral Church of St Barnabas, Nottingham and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key financial performance indicators

Most recent OFSTED inspection – May 2014 Outcome: Good

Key areas for improvement identified by OFSTED: Spelling, Punctuation and Grammar Marking

Most recent RE inspection – September 2012 Outcome: Good

Key areas for improvement identified by RE inspectors: Increase opportunities for pupil led collective worship

Attendance Data - (pupils aged 5+): 95.6%

Teaching

No inadequate teaching was observed during 2015-16, however, there were aspects of teaching that require improvement. When an aspect of teaching/learning requires improvement teachers are informed and teachers are observed again.

This will continue to be a target for improvement during 2016-17, with the addition of increasing the number of outstanding lesson observations.

Policies

2015: SEN

New changes to legislation have helped us to update the Special Educational Needs and Disabilities (SEND) Policy. St Augustine's Catholic Primary and Nursery school is a mainstream school that seeks to ensure that every child included within the school will be granted dignity and respect at all times. All pupils will be given the opportunity to develop to their maximum potential. The policy helps outline training needs for staff, how to record the provision for pupils across the school, encourage parents engagement, and to develop external links.

2015: Marking

A new marking policy has been introduced to the staff and implemented from September 2015. Marking will be monitored by phase leaders throughout the year and regular reviews held in staff meeting time. The target for 2015 will be to evaluate improvements in learning as a result of the new policy.

2015: Assessing without levels

Assessing without levels was a challenge for all schools for 15 16. We use EAZMAG to record data, with phase groups moderating assessments to ensure that all judgments are consistent. The schools Assessment Policy will be reviewed and revised during 2016.

2015: Maths and Literacy teaching skills

End of Key Stage results for 2016 have remained consistent. As predicted 2015-16 this year's end of KS2 results did not indicate improvements due to cohort variations. We will continue to emphasise the teaching of key skills across the school this year.

2016: SRE

The school has reviewed the broad programme of SRE and how it will be planned and delivered in school. This is in due regard to the DFE guidelines and documentation. St Augustine's will help and support young people and start to prepare for adult life.

2016: Governors are updating their no smoking policy to confirm there should be no smoking anywhere on the premises building and grounds.

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Stage 1 and 2 Test Results 2016

The Government has changed the way we assess and report attainment. There are no longer Levels. We now report whether or not children meet the expected standard for their age. As predicted the Key Stage 2 cohort achieved lower results than previous years and below standards Nationally. The combination of this cohort and new, more challenging tests has resulted in a dip in standards. However, progress made from their Key Stage 1 results was well above floor standards.

Key Stage 1 standards remain similar to previous years and broadly in line with National.

End of Key Stage 2 Test Results 2016

	Meeting expected standard test result	Meeting expected standard teacher assessment
Reading	45%	67%
Spelling Grammar Punctuation	52%	67%
Writing	No test	67%
Mathematics	60%	69%

End of Key Stage 1 Test Results 2016

	Meeting age related standard Teacher assessment
Reading	76%
Writing	62%
Spelling Grammar Punctuation	60%
Mathematics	80%

Phonics Screening Test 2016

	Achieving pass mark of 32 or more out of 40
Year 1	84% (of which 58% achieved 38 or more out of 40)
Year 2 (children only re-sit the test in Year 2 if they did not pass in Year 1)	72% (of which 50% achieved 38 or more out of 40)

For 2016-17 our staff are encouraged to improve pupil engagement through increased opportunities for outside learning and practical tasks, particularly in English and Maths lessons.

Significant investment was put into our library organisation this year through the use of Junior Librarian, staff training and book banding. We are prioritising Kindles and a more effective use of the Education Library Service, with the aim of developing a culture of reading for pleasure.

Staff training to ensure that we are keeping up to date with developments in Maths Makes Sense, Read Write Inc. and Language and Literacy, have been put in place. Ensuring a consistent approach across the school in teaching and assessing the core subjects remains a priority.

Pupil led collective worship

The school chaplains have worked closely with the RE subject leader to develop this aspect of collective worship. The after school Chaplaincy team meeting with pupils has helped teachers to start training children to take a lead. The RE subject leader has introduced new planning and evaluation resources to support both adult and child led collective worship.

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

The focus for 2016-17 will be class based collective worship.

In addition we have identified the need to increase opportunities for pupils to learn about other World Faiths. A new system for tracking RE assessment has been introduced to staff and will be monitored during the year.

Going concern

At 31 August 2016 the Trust had net liabilities of £106,808 including a net pension liability of £959,000. Excluding the pension liability the Trust has net assets of £852,192. Of the net pension liability, only the agreed schedule of pension contributions is due for payment within twelve months from the date of signing the financial statements.

In light of the above and after making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements and medium and long term plans. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCIAL REVIEW

Review of the year

External inspections. The academy was inspected by Ofsted in May 2014 and was judged to be Good in all areas. Elements of Outstanding were observed. This indicates a significant improvement on the previous inspection judgment.

Governors noted that the acceptance of diocesan policy meant that Mazars would have to qualify the accounts but that the accounts would only be qualified for that one reason. It was resolved that the value of the buildings previously transferred upon conversion be excluded since they are the property of the Nottingham Roman Catholic Diocesan Trustees and not the St Augustine's Catholic Academy Trust.

Reserves policy

The governors policy is to review the reserve levels of the academy annually. The policy of the academy is to carry forward a prudent level of resources designed to meet the medium and long term needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the EFA.

The reserves has been identified towards continuing the level of staff costs within the academy.

The academy has a policy of carrying forward internal under / overspends. This does result in an increase in the academy reserve.

Total reserves at 31 August 2016 were (£106,808) (2015: £392,731). Total unrestricted reserves at 31 August 2016 were £103,146 (2015: £100,435) and restricted general funds less pension liabilities were £352,545 (2015: £346,867).

Investment policy and performance

The academy manages its cash by reviewing the short and medium term objectives of the academy.

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

- Changes to the national funding formula, awaiting information for the 2017-18 budget.
- Changes in entitlement to free school meals and the impact on pupil premium numbers.
- Reduction in pupil numbers
- Unsure of the impact EU expansion and immigration will have on school admissions after the BREXIT vote.

The academy's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and debtors.

The academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is managing as advised by Barnett Waddingham.

PLANS FOR THE FUTURE

Future developments

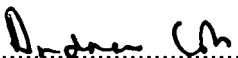
- Raising attainment in Reading, Writing, SPAG and Mathematics at the end of KS2
- Attainment and progress of groups across the school – in particular closing the gap for PP pupils and boys
- Teaching in all phases to be consistently good with a significant element of outstanding
- Improving outcomes in attainment of RE at the end of Y2 and Y6 to ensure we match current diocesan expectations.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the governors are aware:

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

This report incorporating the Strategic Report was approved by order of the members of the Governing Body as the company directors, on 21 November 2016 and signed on its behalf by:



.....
Rev A M Cole
Chair of Trustees

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that St Augustine's 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 governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Augustine's Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
D Barnes	3	3
C Bligh	3	3
C Caille	3	3
D Clarke	2	3
Rev A M Cole, Chair	2	3
K Daly	2	3
A Glynne-Jones, Vice Chair	2	3
M Poyser	2	3
M Sewell	1	3
Rev A Sullivan	2	3
C Tambini	3	3
J Welsh	3	3

Governance Reviews:

The trust completed a skills audit for the full governing body during the Summer Term 2016. This included areas of:

- Catholic Understanding
- Governance
- Staffing
- Data
- Community Matters
- Handling Conflict
- Educational skills
- Financial skills
- and other skills

The audit showed that our Governing Body is made up of professional people with extensive and numerous skills required at the trust. The Governing body agreed to monitor their visits, and this would be reviewed termly. The skills audit will be reviewed again if more than two members leave.

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GOVERNANCE STATEMENT (continued)

Review of Value for money

As accounting officer the headteacher 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 Trust reviewed our value for money procedures to ensure the school manages its resources effectively. This is discussed at governor meetings and subsequently a Best Value Statement is produced annually and can be found on our schools website. We ensure Value for Money across numerous activities:

- Annual performance management target setting meetings
- Annual budget planning
- Headteachers' and Business Managers' regular meetings
- Regular analysis of pupil performance data
- Responsible Officer audits
- OFSTED inspection reports
- Regular classroom observations by Senior Leadership Team
- Analysis of DfE pupil performance data by raise on line
- Governors visits
- Termly Governors body and committee meetings

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Augustine's Catholic Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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GOVERNANCE STATEMENT (continued)

- 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mazars LLP, the external auditor, to perform additional checks.

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

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

The report from the Responsible Officer dated 31st August 2016 gave an overall status of 'good' and stated "It is the opinion of the Responsible Officer that St Augustine's Catholic Academy Trust has robust procedures in place to deal with the recording of the School's financial transactions and the handling of the daily cash takings & expenditure. No major recommendations have been made and overall good practice could be evidenced."

Review of Effectiveness


As Accounting Officer, the Headteacher 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 auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

The responsible officer has delivered their schedule of works.

Approved by order of the members of the governing body on 21 November 2016 and signed on its behalf by:


.....
Rev A M Cole
Chair of Trustees


.....
C Caille
Accounting Officer

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Augustine's Catholic Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy governing body are able to identify any material, irregular or improper use of funds by the academy, or material non compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2015.

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 governing body and EFA.



.....
C Caille
Accounting Officer

Date: 21 November 2016



ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

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STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for charitable activities of St Augustine's Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 operation.

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

The governors 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 governing body and signed on its behalf by:


.....
Rev A M Cole
Chair of Governing body

Date: 21 November 2016

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

We have audited the financial statements of St Augustine's Catholic Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102))).

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the governors as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Basis of qualified opinion on financial statements

Based upon guidance issued jointly by the Catholic Education Service and the National Society, the trust has not recognised on its balance sheet land and buildings which are occupied under a 125 year lease supplemental agreement. This accounting treatment does not adequately reflect the substance of the transaction and hence is not in accordance with the Charity SORP 2015 and therefore the financial statements are materially misstated by £2,030,248 relating to understated leasehold land and buildings and associated understated cumulative depreciation of £180,084.

Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report, incorporating the Strategic Report, for the financial

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

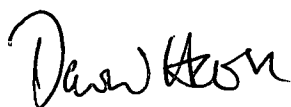
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee' remuneration specified by law are not made; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 21/4/16

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO ST AUGUSTINE'S CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Augustine's Catholic Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Augustine's Catholic Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of St Augustine's Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
ST AUGUSTINE'S CATHOLIC ACADEMY TRUST AND THE EDUCATION 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *21/11/16*

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	-	-	7,848	7,848	88,402
Charitable activities	3	-	1,831,134	-	1,831,134	1,887,372
Other trading activities	4	2,237	20,360	-	22,597	28,409
Investments	5	474	-	-	474	560
Total income		<u>2,711</u>	<u>1,851,494</u>	<u>7,848</u>	<u>1,862,053</u>	<u>2,004,743</u>
Expenditure on:						
Raising funds	6	-	26,217	-	26,217	10,957
Charitable activities	6	-	1,817,734	54,641	1,872,375	1,880,934
Total expenditure		<u>-</u>	<u>1,843,951</u>	<u>54,641</u>	<u>1,898,592</u>	<u>1,891,891</u>
Net income / (expenditure) before transfers		<u>2,711</u>	<u>7,543</u>	<u>(46,793)</u>	<u>(36,539)</u>	<u>112,852</u>
Transfers between Funds	14	-	(41,865)	41,865	-	-
Net income / (expenditure) before other gains and losses		<u>2,711</u>	<u>(34,322)</u>	<u>(4,928)</u>	<u>(36,539)</u>	<u>112,852</u>
Actuarial losses on defined benefit pension schemes	18	-	(463,000)	-	(463,000)	(8,000)
Net movement in funds		<u>2,711</u>	<u>(497,322)</u>	<u>(4,928)</u>	<u>(499,539)</u>	<u>104,852</u>
Reconciliation of funds:						
Total funds brought forward		<u>100,435</u>	<u>(109,133)</u>	<u>401,429</u>	<u>392,731</u>	<u>287,879</u>
Total funds carried forward		<u><u>103,146</u></u>	<u><u>(606,455)</u></u>	<u><u>396,501</u></u>	<u><u>(106,808)</u></u>	<u><u>392,731</u></u>

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

Registered number: 08169229

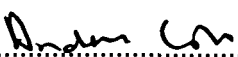
(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	11		396,501		401,428
Current assets					
Debtors	12	354,966		263,927	
Cash at bank and in hand		381,067		551,048	
		<u>736,033</u>		<u>814,975</u>	
Creditors: amounts falling due within one year	13	(280,342)		(367,672)	
Net current assets			<u>455,691</u>		<u>447,303</u>
Total assets less current liabilities			<u>852,192</u>		<u>848,731</u>
Defined benefit pension scheme liability	18	(959,000)		(456,000)	
Net (liabilities)/assets including pension scheme liabilities			<u>(106,808)</u>		<u>392,731</u>
Funds of the academy					
Restricted funds:					
General funds	14	352,545		346,867	
Fixed asset funds	14	396,501		401,429	
		<u>749,046</u>		<u>748,296</u>	
Pension reserve	14	(959,000)		(456,000)	
Total restricted funds			<u>(209,954)</u>		<u>292,296</u>
Unrestricted general funds	14		<u>103,146</u>		<u>100,435</u>
Total (deficit)/funds			<u>(106,808)</u>		<u>392,731</u>

The financial statements were approved by the Governors, and authorised for issue, on 21 November 2016 and are signed on their behalf by:


.....
Rev A M Cole
Chair of Governing body

The notes on pages 24 to 43 form part of these financial statements.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(128,589)	134,921
Cash flows from investing activities:			
Investment income		474	560
Purchase of property, plant and equipment		(49,714)	(133,739)
Capital grants from DfE/EFA		7,848	88,402
Net cash used in investing activities		(41,392)	(44,777)
Change in cash and cash equivalents in the year	17	(169,981)	90,144
Cash and cash equivalents brought forward		551,048	460,904
Cash and cash equivalents carried forward	17	381,067	551,048

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Augustine's Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors 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 Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

At 31 August 2016 the Trust had net liabilities of £106,808 including a net pension liability of £959,000. Excluding the pension liability the Trust has net assets of £852,192. Of the net pension liability, only the agreed schedule of pension contributions is due for payment within twelve months from the date of signing the financial statements.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

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 there is certainty of receipt and it is measurable.

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

1.4 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Assets are capitalised on the following bases:

- Land & Buildings costing more than £5,000
- Vehicles, plant and machinery & other equipment costing more than £3,000
- Furniture & Fittings costing more than £1,000
- Computer Equipment costing more than £300

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.

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

Building improvements	- 10-50 years straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line

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

The academy trust company occupies land (including buildings) which are owned by its Trustees who are the Trustees of the Nottingham Roman Catholic Diocesan. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

1.6 Operating leases

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

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.7 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.

1.8 Taxation

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

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.9 Liabilities and provisions

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

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.10 Pensions

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

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

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

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

1.11 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 Governors.

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

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

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no critical areas of judgement.

1.13 Agency arrangement policy

The academy trust acts as an agent in distributing funds. Payments received and subsequent disbursements are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 21.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grants	-	-	7,848	7,848	88,402

In 2015, of the total income from donations and capital grants £ NIL was to unrestricted funds and £88,402 was to restricted funds

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,511,558	1,511,558	1,527,796
Other DfE/EFA grants	-	186,682	186,682	192,772
	-	1,698,240	1,698,240	1,720,568
Other government grants				
Local authority grants	-	132,894	132,894	166,804
	-	132,894	132,894	166,804
	-	1,831,134	1,831,134	1,887,372

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,887,372 was to restricted funds.

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Academy trips	-	9,494	9,494	12,862
Other income	2,237	10,866	13,103	15,547
	2,237	20,360	22,597	28,409

In 2015, of the total fundraising income, £4,527 was to unrestricted funds and £23,882 was to restricted funds.

ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	474	-	474	560

In 2015, of the total investment income, £ 560 was to unrestricted funds and £ NIL was to restricted funds.

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	26,217	26,217	10,957
Academy's educational operations					
- Direct costs	1,269,676	9,542	73,145	1,352,363	1,389,042
- Allocated support costs	106,078	101,627	312,307	520,012	491,892
Total	1,375,754	111,169	411,669	1,898,592	1,891,891

Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	1,352,363	1,389,042
Support costs - educational operations	520,012	491,892
Total	1,872,375	1,880,934

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Support costs

	Total 2016 £	Total 2015 £
Support staff costs	106,078	94,957
Depreciation	45,099	31,098
Technology costs	12,689	1,756
Premises costs	101,626	145,415
Other support costs	233,633	194,655
Governance costs	20,887	24,011
	<hr/>	<hr/>
Total	520,012	491,892
	<hr/>	<hr/>

In 2015, of the total expenditure, £Nil was to unrestricted funds and £1,891,891 was to restricted funds

7. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	54,641	48,438
Auditor's remuneration	6,285	6,120
Auditor's remuneration - non audit	3,200	2,725
Operating lease rentals	5,540	4,456
	<hr/>	<hr/>

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8. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,066,776	1,037,831
Social security costs	78,888	68,196
Other pension costs (Note 18)	176,477	152,845
	<u>1,322,141</u>	<u>1,258,872</u>
Supply teacher costs	36,613	68,030
FRS 102 pension adjustment	17,000	9,000
	<u>1,375,754</u>	<u>1,335,902</u>

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

	2016 No.	2015 No.
Teachers	16	17
Administration and support	36	36
Management	4	4
	<u>56</u>	<u>57</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

The above individual is a member of the Teachers Pension Scheme.

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employers pension contributions) received by key management personnel for their services to the academy trust was £247,238 (2015: £233,413).

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9. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors 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 Governors. The value of Governors' remuneration and other benefits was as follows:

		2016 £'000	2015 £'000
Mrs C Caille	Remuneration	60-65	60-65
	Pension contributions paid	10-15	5-10
Ms D Barnes, Staff trustee	Remuneration	45-50	45-50
	Pension contributions paid	5-10	5-10
Mr C Bligh, Staff trustee	Remuneration	25-30	20-25
	Pension contributions paid	0-5	0-5

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

10. Governors' 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 £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11. Tangible fixed assets

	Leasehold land and buildings £	Building Improvem'ts £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	-	343,513	78,798	101,919	524,230
Additions	-	16,357	19,813	13,544	49,714
At 31 August 2016	-	359,870	98,611	115,463	573,944
Depreciation					
At 1 September 2015	-	18,161	44,334	60,307	122,802
Charge for the year	-	9,542	17,659	27,440	54,641
At 31 August 2016	-	27,703	61,993	87,747	177,443
Net book value					
At 31 August 2016	-	332,167	36,618	27,716	396,501
At 31 August 2015	-	325,352	34,464	41,612	401,428

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12. Debtors

	2016	2015
	£	£
Trade debtors	18	531
VAT recoverable	301,364	200,642
Prepayments and accrued income	53,584	62,754
	<u>354,966</u>	<u>263,927</u>

13. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	27,806	24,449
Taxation and social security	24,494	20,125
Other creditors	20,030	18,155
Accruals and deferred income	208,012	304,943
	<u>280,342</u>	<u>367,672</u>

	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	38,789	44,580
Resources deferred during the year	48,652	38,789
Amounts released from previous years	(38,789)	(44,580)
Deferred income at 31 August 2016	<u>48,652</u>	<u>38,789</u>

The above deferred income relates to:
£27,022 Universal Free School Meals for 2016/2017
£6,180 SEN funding for 2016/2017
£15,450 AIA funding for 2016/2017

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14. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	100,435	2,711	-	-	-	103,146
Restricted funds						
General annual grant (GAG)	291,415	1,511,558	(1,492,617)	(41,865)	-	268,491
Pupil premium	55,452	140,360	(172,932)	-	-	22,880
Other grants and restricted income	-	199,576	(138,402)	-	-	61,174
Pension reserve	(456,000)	-	(40,000)	-	(463,000)	(959,000)
	<u>(109,133)</u>	<u>1,851,494</u>	<u>(1,843,951)</u>	<u>(41,865)</u>	<u>(463,000)</u>	<u>(606,455)</u>
Restricted fixed asset funds						
Transfer on conversion	32,461	-	(21,513)	-	-	10,948
Capital expenditure from GAG	161,650	-	(14,514)	41,865	-	189,001
DfE/EFA Capital grants	207,318	7,848	(18,614)	-	-	196,552
	<u>401,429</u>	<u>7,848</u>	<u>(54,641)</u>	<u>41,865</u>	<u>-</u>	<u>396,501</u>
Total restricted funds	292,296	1,859,342	(1,898,592)	-	(463,000)	(209,954)
Total of funds	<u>392,731</u>	<u>1,862,053</u>	<u>(1,898,592)</u>	<u>-</u>	<u>(463,000)</u>	<u>(106,808)</u>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

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

14. Statement of funds (continued)

Transfers relate to GAG monies used for capital expenditure.

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 2016.

15. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	396,501	396,501	401,429
Current assets	103,146	632,887	-	736,033	814,975
Current liabilities	-	(280,342)	-	(280,342)	(367,673)
Pension scheme liability	-	(959,000)	-	(959,000)	(456,000)
	<u>103,146</u>	<u>(606,455)</u>	<u>396,501</u>	<u>(106,808)</u>	<u>392,731</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(36,539)	112,852
Adjustment for:		
Depreciation charges	54,641	48,438
Investment income (note 5)	(474)	(560)
Increase in debtors	(91,039)	(118,369)
(Decrease)/increase in creditors	(87,330)	142,962
Capital grants from DfE and other capital income	(7,848)	(88,402)
FRS 102 pension adjustments	40,000	38,000
Net cash (used in)/provided by operating activities	<u>(128,589)</u>	<u>134,921</u>

17. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	381,067	551,048
Total	<u>381,067</u>	<u>551,048</u>

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

18. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £19,605 were payable to the scheme at 31 August 2016 (2015 - £16,983) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £105,721 (2015 - £86,782).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £64,000 (2015 - £60,000), of which employers' contributions totalled £48,000 (2015 - £45,000) and employees contributions totalled £16,000 (2015 - £15,000). The agreed contribution rates for future years are 18% for employers and 5.5% to 7.5% for employees.

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

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

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
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:

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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18. Pension commitments (continued)

The trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	399,000	318,000
Debt instruments	40,000	31,000
Property	70,000	56,000
Cash	25,000	16,000
Gilts	22,000	12,000
Other	25,000	15,000
Total market value of assets	<u>581,000</u>	<u>448,000</u>

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

	2016 £	2015 £
Current service cost	(71,000)	(66,000)
Interest on obligation	(36,000)	(33,000)
Expected return on scheme assets	19,000	16,000
	<u>(88,000)</u>	<u>(83,000)</u>
Total	<u>(88,000)</u>	<u>(83,000)</u>
Actual return on scheme assets	<u>69,000</u>	<u>8,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	904,000	790,000
Current service cost	71,000	66,000
Interest cost	36,000	33,000
Contributions by scheme participants	16,000	15,000
Actuarial Losses	513,000	-
	<u>1,540,000</u>	<u>904,000</u>
Closing defined benefit obligation	<u>1,540,000</u>	<u>904,000</u>

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18. Pension commitments (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	448,000	380,000
Expected return on assets	19,000	16,000
Actuarial gains and (losses)	50,000	(8,000)
Contributions by employer	48,000	45,000
Contributions by employees	16,000	15,000
	<u>581,000</u>	<u>448,000</u>

19. Operating lease commitments

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	2,603	4,456
Between 1 and 5 years	4,121	-
Total	<u>6,724</u>	<u>4,456</u>

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20. Related party transactions

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

The following related party transaction took place in the period of account.

The Nottingham Roman Catholic Diocesan Education Service charged GAG amounting to £12,808 (2015: £12,671) during the year. The freehold is also in their name but the risks and rewards belong to St Augustine's Catholic Academy. During the year, the academy made purchases of £9,232 (2015: £13,673) from Nottingham Roman Catholic Diocesan Education Services. There is no year end creditor.

Rev A M Cole, A Glynne-Jones and C Caille, directors of the academy, are also directors of St Barnabas Catholic Academy Trust. During the year, the academy made purchases of £4,225 (2015: £10,222) from St Barnabas Catholic Academy Trust. There is no year end creditor.

21. Agency arrangements

During the year the academy also collected funds on behalf of staff and pupil to be paid to various charities. In the accounting period the trust collected £Nil (2015: £2,453) and disbursed £Nil (2015: £1,145). An amount of £Nil (2015: £1,308) is included in other creditors that is to be paid to various charities.

22. Members' liability

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

23. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2013. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net movement in funds.