

# **St Augustine's Catholic Academy Trust**

Registered number: 08169229

## **Governors report and financial statements**

**For the year ended 31 August 2017**



# **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**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Bishop of Nottingham Father C Thomas Father M Hardy
<b>Sponsor</b>	Nottingham Roman Catholic Diocesan Education Service
<b>Trustees</b>	D Barnes (resigned 31 December 2016) C Bligh (resigned 31 December 2016) C Caille, Head Teacher Rev A M Cole (resigned 31 December 2016) K Daly, Chair A Glynne-Jones, Vice Chair M Sewell (resigned 7 February 2017) Rev A Sullivan C Tambini D Clarke J Welsh M Poyser L Seaton (appointed 1 January 2017)
<b>Company registered number</b>	08169229
<b>Company name</b>	St Augustine's Catholic Academy Trust
<b>Principal and registered office</b>	Park Avenue Mapperley Road Nottingham NG3 4JS
<b>Company secretary</b>	T Moore
<b>Senior management team</b>	C Caille, Head Teacher H Brinsley-Day, SENCO G Barker, Deputy Head Teacher D Barnes, Assistant Head F Frances, Assistant Head
<b>Independent auditor</b>	Mazars LLP Chartered Accountants Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW

**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 2017**

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**Advisers (continued)**

<b>Bankers</b>	Lloyds PLC Old Market Square House Nottingham Nottinghamshire NG1 6FD
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham Nottinghamshire NG2 1BJ

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of St Augustine's Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Augustine's Catholic Academy Trust.

Details of the Trustees who served during the year are included in the reference and admin 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.

#### **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.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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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.

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The academy's leadership school group size have been agreed with governors as per the DfE School teachers Pay and Conditions Document. 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 shows all pay scales and points and is similar to local pay and conditions. The senior leadership team are all set objectives and targets and these are reviewed by the NRCDES Sponsor, and agreed by Governors.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **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 and academies 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.

#### **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**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **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.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **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.

#### **Achievements and performance**

##### **Key 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+): 95.7%

##### Teaching

During 2016-17 the majority of teaching observed was at least good, 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 2017-18, with the aim of increasing the number of outstanding lesson observations.

##### Policies

The School Behaviour Policy was reviewed and updated ready for the new school year, September 2017. A new system of rewards and sanctions was introduced to the children in September.

Social, Emotional & Mental Health Wellbeing Policy is being written and reviewed by staff and governors this year.

All other policies are reviewed on a regular basis, either annually or every 2 or 3 years, depending on the agreed timetable.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Pupil Outcomes using 2017 data**

##### **Early Years**

Attainment on entry into Nursery is measured within 4 weeks using development matters points. Analysis shows that most pupils are working below age-related expectations in all areas of learning.

In Early Years Foundation Stage (EYFS), analysis shows that children made expected progress in all aspects of learning. Children made better than expected progress in most aspects of learning.

All pupils including those with English as an additional language (EAL) and special educational needs (SEN) make good or better progress.

The three year trend of attainment in EYFS is upward.

##### **Year 1 phonics check:**

2017: 71% of pupils reached the expected level

We believe this dip is due to the cohort rather than any significant changes in the quality of teaching.

By the end of KS1 100% of pupils in the whole cohort have met the expected standard.

Phonics outcomes have been consistently above National for last 4 years, with the exception of 2015, 2017 when they were slightly below.

##### **End of Key Stage 1 outcomes:**

School analysis of current pupil performance highlights the attainment of disadvantaged pupils at KS1 is at least in line with other pupils nationally.

The percentage of all pupils, disadvantaged and non-disadvantaged, achieving expected standard in reading and maths exceeds national, and is broadly in line for writing.

Percentage of pupils achieving greater depth in all subjects exceeds national.

Lesson observations, book scrutiny and assessment information suggest that overall progress made by pupils at the end of KS1 compared with their attainment at the end of EYFS was consistently strong.

##### **End of Key Stage 2 outcomes:**

Lesson observations, book scrutiny and assessment information suggest that overall progress made by pupils at the end of KS2 was consistently strong in all subjects, for pupils on roll throughout the key stage.

From their starting points the difference between disadvantaged pupils and non-disadvantaged pupils nationally is diminishing, particularly in writing and maths.

The outcomes of EAL pupils compared to all pupils were higher than others.

More able pupils are making progress at least in line with the same pupils nationally.

Data for the 2017 cohort indicated an upward trajectory for end of KS2 results in 2017 and this was achieved in all subjects:

Reading	2016 – 45%	2017 – 73%
Writing	2016 – 62%	2017 – 71%
GP & S	2016 – 52%	2017 – 73%
Maths	2016 – 60%	2017 – 76%

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Overview of school improvement priorities for 2017-18**

A significant challenge for this academic year is maintaining and improving on current standards with a drop in staffing levels. The current Year 6 and Year 2 cohorts are predicted to achieve less well than the previous cohort.

The aim for this year is to ensure that results in all key stages are at least in line with National, using our mission statement as our guide. This will be done through rigorous monitoring and evaluation of all aspects of school life throughout the year, followed up by prompt and effective actions. All phase leaders have a clear view of the strengths and areas for improvement in their phase and will take actions appropriate to the needs of their phase.

All staff will have a clear understanding of the significance of pupil mental health. Behaviour and Anti Bullying policies are being reviewed and changes to support pupils' engagement and enjoyment of school life will be implemented at the start of the school year. Social and Emotional Mental Health training will take place early in the Autumn Term for all teachers and support staff. Senior leaders will work closely with the school Chaplain, the Faith in Families social worker and outside agencies to support pupil wellbeing and safety.

The anticipated additional Sports funding will be used to enhance all aspects of PE, outdoor and adventurous education; increased opportunities for competitive sports and use of off-site facilities.

The need to review the curriculum, ensuring that it is broad and balanced, has been recognised and will be a priority this year.

#### **Going concern**

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**

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.

The school is working with the NRCDES and monitoring school improvement throughout the year.

##### **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 ESFA.

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 as at 31 August 2017 were (£14,232) (2016: deficit of £106,808). Total unrestricted funds at 31 August 2017 were £104,236 (2016: £103,146) and restricted general funds less pension liabilities were £395,950 (2016: £352,545).

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Investment policy and performance**

The academy manages its cash by reviewing the short and medium terms.

#### **Principal risks and uncertainties**

- Changes to the national funding formula, awaiting information for the 2018-19 budget..
- 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**

In response to significant national changes to the education sector, the NRCDES has drawn up a plan to create 4 new multi-academy trusts. All the 85 diocesan schools will belong to one of the new trusts with the aim of developing and promoting first class teaching and an outstanding Catholic education for all pupils. St Augustine's is likely to move into the new Nottingham Trust from 1st September 2017.

#### **PROVISION OF INFORMATION TO AUDITORS**

Insofar as the Governors are aware:

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

#### **Auditor**

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

The Governors' Report was approved by order of the members of the Governing Body, as the company directors, on 20 November 2017 and signed on its behalf by:



.....  
**K Daly**  
Chair of Trustees

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT**

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#### **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 3 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	0	1
C Bligh	1	1
C Caille, Head Teacher	3	3
Rev A M Cole	1	1
K Daly, Chair	3	3
A Glynne-Jones, Vice Chair	2	3
M Sewell	0	1
Rev A Sullivan	3	3
C Tambini	3	3
D Clarke	1	3
J Welsh	3	3
M Poyser	3	3
L Seaton	2	2

#### **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.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **Review of Value for Money**

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the governing body 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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **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;
- 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 auditor's 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

On a termly basis, the auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The report from the Responsible Officer dated 31st August 2017 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."

The internal auditor delivered their schedule of works.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **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.

Approved by order of the members of the governing body on 20 November 2017 and signed on their behalf, by:



.....  
**K Daly**  
**Chair of Trustees**



.....  
**C Caille**  
**Accounting Officer**

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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.



.....

**C Caille**  
**Accounting Officer**

Date: 20 November 2017

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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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 and Skills 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:

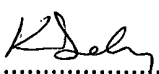
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/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:

  
.....  
**K Daly**  
Chair of Governing body

Date: 20 November 2017

# **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**

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#### **Opinion**

We have audited the financial statements of St Augustine's Catholic Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards including the Financial Reporting Standard Applicable in the UK and Republic of Ireland ((Charities SORP 2015 (FRS 102)) (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

# **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**

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#### **Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Annual Report, other than the financial statements and our auditors' reports 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 matter 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 Governors' Annual Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report including the incorporated strategic report.

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 charitable academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable academy financial statements are not in agreement with the accounting records and returns; 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;

# **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**

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#### **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 16, the Governors 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 Governors are responsible for assessing the company'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 Governors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



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: 26/11/17

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF ST AUGUSTINE'S CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 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 St Augustine's Catholic Academy Trust and the ESFA, 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 accountant**

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO THE GOVERNING BODY OF ST AUGUSTINE'S CATHOLIC ACADEMY TRUST AND  
THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**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 2016 to 31 August 2017 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

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: *20/11/17*

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	-	-	51,293	51,293	7,848
Charitable activities	3	-	1,787,197	-	1,787,197	1,831,134
Other trading activities	4	835	18,739	-	19,574	22,597
Investments	5	255	-	-	255	474
<b>Total income</b>		<b>1,090</b>	<b>1,805,936</b>	<b>51,293</b>	<b>1,858,319</b>	<b>1,862,053</b>
<b>Expenditure on:</b>						
Raising funds	6	-	15,957	-	15,957	26,217
Charitable activities	6	-	1,801,671	97,115	1,898,786	1,872,375
<b>Total expenditure</b>		<b>-</b>	<b>1,817,628</b>	<b>97,115</b>	<b>1,914,743</b>	<b>1,898,592</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,090</b>	<b>(11,692)</b>	<b>(45,822)</b>	<b>(56,424)</b>	<b>(36,539)</b>
Transfers between Funds	14	-	(21,903)	21,903	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,090</b>	<b>(33,595)</b>	<b>(23,919)</b>	<b>(56,424)</b>	<b>(36,539)</b>
Actuarial gains/(losses) on defined benefit pension schemes	18	-	149,000	-	149,000	(463,000)
<b>Net movement in funds</b>		<b>1,090</b>	<b>115,405</b>	<b>(23,919)</b>	<b>92,576</b>	<b>(499,539)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		103,146	(606,455)	396,501	(106,808)	392,731
<b>Total funds carried forward</b>		<b>104,236</b>	<b>(491,050)</b>	<b>372,582</b>	<b>(14,232)</b>	<b>(106,808)</b>

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

Registered number: 08169229

(A Company Limited by Guarantee)

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	11		372,582		396,501
<b>Current assets</b>					
Debtors	12	447,699		354,966	
Cash at bank and in hand		275,024		381,067	
		<u>722,723</u>		<u>736,033</u>	
<b>Creditors:</b> amounts falling due within one year	13	(222,537)		(280,342)	
<b>Net current assets</b>			500,186		455,691
<b>Total assets less current liabilities</b>			872,768		852,192
Defined benefit pension scheme liability	18	(887,000)		(959,000)	
<b>Net liabilities including pension scheme liabilities</b>			<u>(14,232)</u>		<u>(106,808)</u>
<b>Funds of the academy</b>					
Fixed asset funds:					
Restricted income funds	14	395,950		352,545	
Restricted fixed asset funds	14	372,582		396,501	
		<u>768,532</u>		<u>749,046</u>	
Unrestricted general funds					
Pension reserve	14	(887,000)		(959,000)	
<b>Total fixed asset funds</b>			(118,468)		(209,954)
Unrestricted income funds	14		104,236		103,146
<b>Total deficit</b>			<u>(14,232)</u>		<u>(106,808)</u>

The financial statements on pages 22 to 44 were approved by the Governors, and authorised for issue, on 20 November 2017.



K Daly  
Chair of Governing body

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	(135,688)	(128,589)
<b>Cash flows from investing activities:</b>			
Investment income		255	474
Purchase of tangible fixed assets		(21,903)	(49,714)
Capital grants from DfE/ESFA		51,293	7,848
<b>Net cash provided by/(used in) investing activities</b>		29,645	(41,392)
<b>Change in cash and cash equivalents in the year</b>		(106,043)	(169,981)
Cash and cash equivalents brought forward		381,067	551,048
<b>Cash and cash equivalents carried forward</b>	17	275,024	381,067

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. Accounting Policies**

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

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (2015)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, 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.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. Accounting Policies (continued)**

##### **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.

##### **Expenditure on Raising Funds**

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

##### **Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

##### **1.5 Tangible fixed assets and depreciation**

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

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

Depreciation is provided on all tangible fixed assets 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:

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

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. Accounting Policies (continued)**

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 Liabilities**

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

#### **1.7 Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

#### **1.8 Leased assets**

Rentals under operating leases are charged 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 2017**

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#### **1. Accounting Policies (continued)**

##### **1.9 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 12. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 note 13. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

##### **1.10 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.

##### **1.11 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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.

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **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 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.

#### **1.12 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 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 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 2017

#### 1. Accounting Policies (continued)

##### 1.13 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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### *Critical areas of judgment:*

The Governors consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

#### 2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital grants	-	-	51,293	51,293	7,848
<i>Total 2016</i>	-	-	7,848	7,848	

**ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,487,003	1,487,003	1,511,558
Other DfE/ESFA grants	-	183,219	183,219	186,682
	-	1,670,222	1,670,222	1,698,240
<b>Other government grants</b>				
Local authority grants	-	116,975	116,975	132,894
	-	116,975	116,975	132,894
	-	1,787,197	1,787,197	1,831,134
<i>Total 2016</i>	-	1,831,134	1,831,134	

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Academy trips	-	4,349	4,349	20,360
Other income	835	14,390	15,225	2,237
	835	18,739	19,574	22,597
<i>Total 2016</i>	2,237	20,360	22,597	

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	255	-	255	474
<i>Total 2016</i>	474	-	474	

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	15,957	15,957	26,217
Academy's educational operations					
- Direct costs	1,295,590	10,796	62,554	1,368,940	1,352,363
- Allocated support costs	143,615	142,846	243,385	529,846	520,012
<b>Total</b>	<b>1,439,205</b>	<b>153,642</b>	<b>321,896</b>	<b>1,914,743</b>	<b>1,898,592</b>

All expenditure on raising funds in the current year and prior year relates to support costs.

#### Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	1,368,940	1,352,363
Support costs - educational operations	529,846	520,012
<b>Total</b>	<b>1,898,786</b>	<b>1,872,375</b>

#### Support costs

	Total 2017 £	Total 2016 £
Support staff costs	143,615	106,078
Depreciation	35,026	45,099
Technology costs	5,662	12,689
Premises costs	142,846	101,626
Other support costs	185,328	233,633
Governance costs	17,369	20,887
<b>Total</b>	<b>529,846</b>	<b>520,012</b>

In 2016, of the total expenditure, £NIL was to unrestricted funds and £1,898,592 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 2017

#### 7. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	45,822	54,641
Auditor's remuneration - audit	5,700	6,285
Auditor's remuneration - non audit	3,580	3,200
Operating lease rentals	2,603	5,540
	<u>57,705</u>	<u>69,666</u>

#### 8. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,091,464	1,066,776
Social security costs	84,719	78,888
Operating costs of defined benefit pension schemes	203,304	176,477
	<u>1,379,487</u>	<u>1,322,141</u>
Supply teacher costs	38,718	36,613
Defined benefit scheme net finance cost	21,000	17,000
	<u>1,439,205</u>	<u>1,375,754</u>

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

	2017 No.	2016 No.
Teachers	16	16
Administration and support	35	36
Management	4	4
	<u>55</u>	<u>56</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

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 £235,898 (2016: £247,238).

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 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:

		2017 £'000	2016 £'000
Mrs C Caille	Remuneration	65-70	60-65
	Pension contributions paid	10-15	10-15
Ms D Barnes, Staff trustee	Remuneration	5-10	45-50
	Pension contributions paid	0-5	5-10
Mr C Bligh, Staff trustee	Remuneration	5-10	25-30
	Pension contributions paid	0-5	0-5
Miss L Seaton, Staff Trustee	Remuneration	20-25	
	Pension contributions paid	0-5	

During the year, no Governors received any reimbursement of expenses (2016 - £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.

**ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**11. Tangible fixed assets**

	Leasehold land and buildings £	Building Improvem'ts £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	-	359,870	98,611	115,463	573,944
Additions	-	-	3,730	18,173	21,903
At 31 August 2017	-	359,870	102,341	133,636	595,847
<b>Depreciation</b>					
At 1 September 2016	-	27,703	61,993	87,747	177,443
Charge for the year	-	10,796	20,098	14,928	45,822
At 31 August 2017	-	38,499	82,091	102,675	223,265
<b>Net book value</b>					
At 31 August 2017	-	321,371	20,250	30,961	372,582
At 31 August 2016	-	332,167	36,618	27,716	396,501

**12. Debtors**

	2017 £	2016 £
Trade debtors	-	18
VAT recoverable	378,429	301,364
Prepayments and accrued income	69,270	53,584
	<u>447,699</u>	<u>354,966</u>

**ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**13. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	65,086	27,806
Taxation and social security	21,994	24,494
Other creditors	17,940	20,030
Accruals and deferred income	117,517	208,012
	<u>222,537</u>	<u>280,342</u>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2016	48,652	38,789
Resources deferred during the year	38,562	48,652
Amounts released from previous years	(48,652)	(38,789)
Deferred income at 31 August 2017	<u>38,562</u>	<u>48,652</u>

The above deferred income relates to:  
£28,030 Universal Free School Meals for 2017/2018  
£3,502 SEN funding for 2017/2018  
£7,030 AIA funding for 2017/2018

**ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**14. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	103,146	1,090	-	-	-	104,236
<b>Restricted funds</b>						
General annual grant (GAG)	268,491	1,487,003	(1,337,641)	(21,903)	-	395,950
Pupil premium	22,880	132,572	(155,452)	-	-	-
Other grants and restricted income	61,174	186,361	(247,535)	-	-	-
Pension reserve	(959,000)	-	(77,000)	-	149,000	(887,000)
	<u>(606,455)</u>	<u>1,805,936</u>	<u>(1,817,628)</u>	<u>(21,903)</u>	<u>149,000</u>	<u>(491,050)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	10,948	-	(1,265)	-	-	9,683
Capital expenditure from GAG	189,001	-	(21,842)	21,903	-	189,062
DfE/ESFA Capital grants	196,552	51,293	(74,008)	-	-	173,837
	<u>396,501</u>	<u>51,293</u>	<u>(97,115)</u>	<u>21,903</u>	<u>-</u>	<u>372,582</u>
Total restricted funds	<u>(209,954)</u>	<u>1,857,229</u>	<u>(1,914,743)</u>	<u>-</u>	<u>149,000</u>	<u>(118,468)</u>
Total of funds	<u>(106,808)</u>	<u>1,858,319</u>	<u>(1,914,743)</u>	<u>-</u>	<u>149,000</u>	<u>(14,232)</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.

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 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 2017.

#### 15. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	372,582	372,582
Current assets	104,236	618,487	-	722,723
Current liabilities	-	(222,537)	-	(222,537)
Pension scheme liability	-	(887,000)	-	(887,000)
	<u>104,236</u>	<u>(491,050)</u>	<u>372,582</u>	<u>(14,232)</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(56,424)	(36,539)
<b>Adjustment for:</b>		
Depreciation charges	45,822	54,641
Dividends, interest and rents from investments	(255)	(474)
Increase in debtors	(92,733)	(91,039)
Decrease in creditors	(57,805)	(87,330)
Capital grants from DfE and other capital income	(51,293)	(7,848)
Defined benefit pension scheme obligation inherited	77,000	40,000
<b>Net cash used in operating activities</b>	<u>(135,688)</u>	<u>(128,589)</u>

#### 17. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	275,024	381,067
<b>Total</b>	<u>275,024</u>	<u>381,067</u>

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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

Contributions amounting to £17,940 were payable to the schemes at 31 August 2017 (2016 - £19,605) and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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 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 £107,579 (2016 - £105,721).

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £59,000 (2016 - £64,000), of which employer's contributions totalled £44,000 (2016 - £48,000) and employees' contributions totalled £15,000 (2016 - £16,000). The agreed contribution rates for future years are 18.3% 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis - impact on present value obligation</b>		
Discount rate +0.1%	38,000	41,000
Discount rate -0.1%	(39,000)	(42,000)
Mortality assumption - 1 year increase	(47,000)	(39,000)
Mortality assumption - 1 year decrease	45,000	38,000
Pension increase rate +0.1%	(32,000)	(32,000)
Pension increase rate -0.1%	31,000	31,000

**ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**18. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	383,000	399,000
Debt instruments	70,000	40,000
Property	68,000	70,000
Cash	12,000	25,000
Gilts	18,000	22,000
Other	28,000	25,000
Total market value of assets	<u>579,000</u>	<u>581,000</u>

The actual return on scheme assets was £83,000 (2016 - £69,000).

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

	2017 £	2016 £
Current service cost	(100,000)	(71,000)
Expected return on scheme assets	13,000	19,000
Interest on obligation	(34,000)	(36,000)
Total	<u>(121,000)</u>	<u>(88,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,540,000	904,000
Current service cost	100,000	71,000
Interest cost	34,000	36,000
Employee contributions	15,000	16,000
Actuarial (gains)/losses	(181,000)	513,000
Benefits paid	(42,000)	-
Closing defined benefit obligation	<u>1,466,000</u>	<u>1,540,000</u>

# ST AUGUSTINE'S CATHOLIC ACADEMY TRUST

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 18. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	581,000	448,000
Expected return on assets	13,000	19,000
Actuarial gains/(losses)	(32,000)	50,000
Employer contributions	44,000	48,000
Employee contributions	15,000	16,000
Benefits paid	(42,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	579,000	581,000
	<hr/>	<hr/>

#### 19. Operating lease commitments

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	2,603	2,603
Between 1 and 5 years	1,518	4,121
	<hr/>	<hr/>
Total	4,121	6,724
	<hr/>	<hr/>

# **ST AUGUSTINE'S CATHOLIC ACADEMY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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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 Services charged GAG amounting to £12,839 (2016: £12,808) 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 educational purchases of £16,139 (2016: £22,040) from Nottingham Roman Catholic Diocesan Education Services. Year end creditors include a balance of £1,761 (2016: £NIL).

K Daly is a director of South Nottingham Catholic Academy Trust. During the year, the academy made educational purchases of £130 (2016: £NIL). Year end creditors include a balance of £100 (2016: £NIL)

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 educational purchases of £9,790 (2016: £4,225) from St Barnabas Catholic Academy Trust. There is no year end creditor.

#### **21. 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.