

Registration number: 07973953

The Northern Lincolnshire Catholic Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

Forrester Boyd Chartered Accountants
26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

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The Northern Lincolnshire Catholic Academy Trust

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The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details

Members	M McMahon C Thomas J Guest
Trustees (Directors)	E Brolly, Principal (resigned 31 August 2015) E C Carlile (resigned 30 April 2015) K J Coyle J Ducey E S Jarosz D Lisle, (member of finance and audit committee) C R Mack, (member of finance and audit committee) P McNicholas L A Mellows, Chair (member of finance and audit committee) P Moran S Kilbride Pollard, Principal F Robinson D Sidaway, Principal (appointed 1 September 2014) G M Smith J Sulkowski, Principal (resigned 31 August 2015) P Tonge, Principal M M Travers, Principal (member of finance and audit committee) L Wilson
Company Secretary	J Williams
Senior Management Team	M Travers, Principal, St Bede's Catholic Voluntary Academy E Brolly, Principal, St Augustine Webster Catholic Voluntary Academy (resigned 31/08/15) S Kilbride Pollard, Principal, St Joseph's Catholic Primary Voluntary Academy J Sulkowski, Principal, St Bernadette's Catholic Primary Voluntary Academy (resigned 31/08/15) P Tonge, Principal, St Norbert's Catholic Voluntary Academy D Sidaway, Principal, St Mary's Catholic Primary Voluntary Academy Brigg M Strong, Principal, St Bernadette's Catholic Primary Voluntary Academy (commenced 01/09/15) A Morrisroe, Principal, St Augustine Webster Catholic Voluntary Academy (commenced 01/09/15)

The Northern Lincolnshire Catholic Academy Trust

Reference and Administrative Details (continued)

Principal and Registered Office	Holy Souls Presbytery Frodingham Road Scunthorpe North Lincolnshire DN15 7TA
Company Registration Number	07973953
Auditors	Forrester Boyd Chartered Accountants 26 South St Mary's Gate Grimsby North East Lincolnshire DN31 1LW
Bankers	Lloyds Bank PLC 104-108 High Street Town Centre Scunthorpe DN15 6HG
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, a directors' report and a strategic report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 02 March 2012. The company registration number is 07973953.

The trustees oversee the charitable activities of The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) and are also directors of the charitable company for the purposes of company law. The Charitable company is known as the Northern Lincolnshire Catholic Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Academy Trust had seven active academies during the period as follows :

- St Bede's Catholic Voluntary Academy
- St Augustine Webster's Catholic Voluntary Academy
- St Joseph's Catholic Primary Voluntary Academy
- St Bernadette's Catholic Primary Voluntary Academy
- St Mary's Catholic Primary Voluntary Academy (Brigg)
- St Mary's Catholic Primary Voluntary Academy (Grimsby)
- St Norbert's Catholic Primary Voluntary Academy

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.

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Method of recruitment and appointment or election of Trustees

- The Diocesan Trustees appoint foundation directors. At Least two Parish Priests are Foundation Directors
- The Principal of each Academy is appointed as a Director
- The Chair of each local Governing Body is appointed as a Director. The appointment of Chairman of each local Body is completed at each Local Governing Body meeting in the Autumn term by way of a vote process within this meeting.
- Parent Directors are elected by the parent members of the Local Governing Body of the Academies

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Governors.

Policies and procedures adopted for the induction and training of Trustees

Induction of new directors will be undertaken by:-

- Diocesan training
- A mentoring process with established Directors
- Relevant local authority training under the Governors Service Level Agreement for example with regard to 'Safeguarding'

Organisational structure

- Each Academy runs its own day to day management
- All Academies follow the CES (Catholic Education Service) policies as instructed by the Diocese.
- Other policies are initiated by the Principal of each Academy and are taken to the Local Governing Bodies for ratification.
- Each Local governing Body has its own sub committees which include Finance, Personnel and Health and Safety
- The Principal and Chairman of each Academy reports to the Academy Trust (NOLCAT) three times a year. These reports focus on Standards, Finance and Personnel issues. The Trust also has its own finance and audit committee.
- The Academy Trust considers joint projects where it would be financial beneficial to work together

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Risk management

At its termly meetings the Academy Trust reviews that systems and procedures are in place to manage risk. The Statement of Internal Control has been considered already by the Academy Trust. A risk register is in place and strategies have been put in place by the Academy Trust to manage risk.

Major risks identified are:

- 1) Opening of another secondary school in Scunthorpe (UTC)
- 2) Recruitment of Governors

These have been reviewed by the Trust and the following procedures are in place to mitigate the risk.

- 1) To avoid the falling numbers in year 10 there will be an aggressive marketing strategy and St. Bede's will review its curriculum offer
- 2) The Trust will liaise with the Diocese and Parish Priests to put in place a recruitment strategy

The Trust regularly monitors any exposure to risk.

Connected organisations, including related party relationships

The Academy Trust is under the Trusteeship of the Diocese of Nottingham. The Trust is instructed by the Diocese to follow the CES policies. Each Academy within the Trust pays an Service Level Agreement (SLA) with the Diocese for support and training on educational matters.

Objectives and activities

Objects and aims

As a Trust the individual Academies agree to maintain unity and explore together the options available to secure the future of Catholic Schools in Northern Lincolnshire. All this is carried out whilst jointly pursuing the principal activities mentioned at the outset.

Objectives, strategies and activities

At the Trust meetings, as evidenced by the meeting minutes, joint policies, projects, procurement and C.P.D are considered and acted upon as appropriate. For example, such strategies have included :

- Joint projects which have allowed the academies to negotiate costs with providers at a benefit to each individual academy
- Joint C.P.D. has enabled training at cost effective price
- The sharing of good practice has enabled individual schools to continue to provide a high level of educational performance and achievement.

Public benefit

The Academy Trust has had due regard to the guidance on public benefit published by the Charities Commission. The Trust wishes to promote the benefit of individuals living in Northern Lincolnshire through education and community use of facilities. All Academies are truly comprehensive and diverse in nature.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Strategic Report

St. Bede's Catholic Voluntary Academy

Attainment

Headline Performance outcomes have improved.

5+ A*-C incl. English and Maths 57% (2014 54%). It is also important to note that the 2015 cohort was significantly weaker to that of 2014: -0.8 to + 0.2 in 2014 therefore the achievement is all the greater.

Progress

Levels of progress have also risen in most areas.

3 levels of Progress English 67% (54% in 2014)

4 levels of progress English 17% (14% in 2014)

3 levels of progress in Maths 71% (75% 2014)

4 levels of progress in Maths 29% (26% 2014)

Attendance

- High attendance rate 95.8% (95.7% 2014)
- Low NEETS: 0.7% (2014) (0.8 2013)

Exclusions

No permanent exclusions; low fixed term exclusions

Saint Bernadette's Catholic Primary Voluntary Academy

Achievement and Performance

End of Key Stage 2

Attainment

Reading Level 4 and above: 100%

Writing Level 4 and above: 93%

Maths Level 4 and above: 100%

Reading, Writing and Maths Level 4 and above: 93%

Progress

Pupils making expected progress in Maths: 98%

Pupils making expected progress in Writing: 100%

Pupils making expected progress in Reading: 98%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Attendance: 95.5%

Exclusions: 0

St. Mary's Catholic Primary Voluntary Academy (Grimsby)

Achievement and Performance

End of Key Stage 2

Attainment

Reading Level 4 and above: 80%

Writing Level 4 and above: 70%

Maths Level 4 and above: 73%

Reading, Writing and Maths Level 4 and above: 57%

Progress

Pupils making expected progress in Maths: 71%

Pupils making expected progress in Writing: 89%

Pupils making expected progress in Reading: 86%

Attendance: 95.1%

Exclusions: 0

St. Augustine Webster Primary Voluntary Academy

End of Key Stage 2

Attainment

Reading Level 4 and above: 97%

Writing Level 4 and above: 97%

Maths Level 4 and above: 97%

Reading, Writing and Maths Level 4 and above: 93%

Progress

Pupils making expected progress in Maths: 97% 2 levels progress

46% Better than Expected Progress

Pupils making expected progress in Writing: 100% 2 levels progress

34% Better than Expected Progress

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Pupils making expected progress in Reading: 98% 2 levels progress

37% Better than Expected Progress

Attendance: 96%

Exclusions: 2 Y5 children had fixed term exclusions 2014 – 2015 (4 for one child and one for the other)

St Norbert's Primary Catholic Voluntary Academy Crowle

Attainment

Reading Level 4 and above: 94%

Writing Level 4 and above: 88.2%

Maths Level 4 and above: 94%

Reading, Writing and Maths Level 4 and above: 88.2%

Progress

Pupils making expected progress in Maths: 88.2% (two levels)

Pupils making expected progress in Writing: 82.4% (two levels)

Pupils making expected progress in Reading: 82.4% (two levels)

Attendance: 97.9%

Exclusions: NIL

St Joseph's Catholic Primary Voluntary Academy.

Achievement and Performance

End of Key Stage 2

Attainment

Reading Level 4 and above: 96%

Writing Level 4 and above: 88%

Maths Level 4 and above: 83%

Reading, Writing and Maths Level 4 and above: 75%

Progress

Pupils making expected progress in Maths: 88%

Pupils making expected progress in Writing: 100%

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Pupils making expected progress in Reading: 100%

Attendance: 96.4%

Exclusions: 0

St Mary's Catholic Primary Voluntary Academy Brigg

Achievement and Performance

End of Key Stage 2

Attainment

Reading Level 4 and above: 100%

Writing Level 4 and above: 100%

Maths Level 4 and above: 93%

Reading, Writing and Maths Level 4 and above: 89%

Progress

Pupils making expected progress in Maths: 92%

Pupils making expected progress in Writing: 100%

Pupils making expected progress in Reading: 100%

Attendance: 96.6%

Exclusions: 0

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Employment of disabled persons

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant.

Description of employee consultation

The trustees ensure all key policies affecting staff are communicated to them. This is achieved through staff handbooks and regular communication with senior staff.

Financial Key Performance Indicators

Salaries represented 72% of total expenditure (2014: 75%) and this is within acceptable levels for the Trust. Salaries increased during the year due to further improvements and investments in staff, however the overall % fell due to increases in other costs described below.

Higher depreciation costs are now to be expected with the St Bede's building asset. There were also higher costs in repairs and renewals work across the Academies, but these were more than covered by existing reserves and increased funding. Other costs were maintained at appropriate levels, leading to a financially strong position for the trust at the end of the year.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. These conclusions apply at both individual academy and full trust level.

Principal risks and uncertainties

- Each Academy reviews risks and uncertainties at local Governance level. Each Academy has its own Finance and Personnel sub committees. A three year financial plan is drawn up by each Academy.
- Each Academy reports back to the Trust on the principal risks and uncertainties at each Trust meeting.
- NOLCAT monitors financial planning for each Academy, evaluates risk and evaluates any strategies in place to reduce risk.
- At each termly meeting the Trust reviews the needs of each Academy and if necessary implements a support mechanism.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Financial review

The results for the period show overall reserves of £16,998,341. (2014 : £16,656,833).

These are made up of revenue reserves of £1,881,141 (2014: £1,806,713), fixed asset reserves of £17,844,200 (2014: £17,394,120) , and an LGPS pension deficit of £2,727,000 (2014: £2,544,000). Major elements of the fixed asset increase were funded by a transfer from revenue reserves.

Each school within the trust has managed its own finances through strict budgetary controls and regular reviews of management information. A central finance and audit committee has been established by the Trust to monitor the finances of each individual academy on a termly basis.

The principal source of funding has been EFA grants during the period. These have supported the key objectives of the trust in this first period in helping to establish the academy whilst continuing to provide the expected levels of education.

Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an academy. It is possible that the deficit can have an effect on the cashflow of the academy, as it may mean the contributions will have to change again in the future.

Financial and risk management objectives and policies

Governors at each school and the Trust as a whole review potential risks regularly to ensure they are well aware of the possible future risks to the Trust. Reviews are undertaken by the Finance committees at individual Academies, along with the full governing body meetings of the Trust, and includes financial and operational risks including budget risks, health and safety reviews, safeguarding students, strategic and reputational risks and the risk of non-compliance with statutory obligations. Some significant risks such as public and employment liability are covered by the school's insurance policies.

Reserves policy

The Trust has a policy whereby each Academy states the level of reserves held and why they are held. Each Academy has to explain and quantify what the funds are set aside for in the future and when it is anticipated that they will be used. Current levels of reserves held are considered appropriate for covering any unexpected expenditure or temporary drop in income. Three months running costs are kept as reserves.

Investment policy

The Trust has a policy to review cash balances regularly at its termly meeting ensuring that when appropriate necessary investments can be made taking into consideration social, environmental and ethical considerations in relation to the tenets of the Catholic Church.

The Northern Lincolnshire Catholic Academy Trust

Trustees' Annual Report for the Year Ended 31 August 2015 (continued)

Plans for future periods

Objectives for future periods include :

- 1) To improve communication systems across the Trust
- 2) To continue to review all policies so that policies are common to Trust schools
- 3) To refine Financial systems
- 4) To develop joint CPD

This will be achieved with the following actions:

- 1) To appoint link Directors to each Academy
- 2) To have a regular agenda item at Headteacher meeting's to review policies for presentation at NOLCAT meetings
- 3) The Audit Committee to review the findings of the Comparison study and to put systems in place to aid consistency and efficiency. Also business managers and Peri Bursars will complete proformas and check off compliance with expectation of financial returns.
- 4) To organise a joint training session building upon the Catholic Ethos twilight in May 2015 inviting Bishop Patrick to lead.

Auditor

In so far as the Trustees are aware:

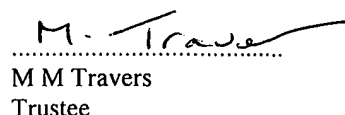
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Annual Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 14 December 2015 and signed on its behalf by:


.....
L A Melloys
Trustee


.....
M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Northern Lincolnshire 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 M M Travers, Principal (member of finance and audit committee), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Northern Lincolnshire 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 Trustees' Annual Report and in the Statement of Trustees' 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:

Trustee	Meetings attended	Out of a possible
L A Mellows	3	3
E C Carlile	1	1
K J Coyle	2	3
J Ducey	3	3
E S Jarosz	3	3
D Lisle	2	3
C R Mack	3	3
P McNicholas	2	3
S Kilbride Pollard	3	3
F Robinson	3	3
G M Smith	3	3
J Sulkowski	3	3
P Tonge	3	3
M M Travers	3	3
J Williams	3	3
E Brolly	2	3
L Wilson	3	3

Governance reviews

The Trust continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Each academy within the trust has its own Finance and Audit Committee. Its purpose is to review financial systems, budgets and other financial reports as well as Internal Reviews during the year. A central committee was also set up during the year.

Each member on the committees as listed below is a governor of the individual academy, however not a trustee of the NOLCAT, unless indicated.

The Directors of the NOLCAT who are on the committees, report back to the academy trust.

St. Bede's	Meetings attended	Out of possible
K. Coyle NOLCAT Trustee	5	5
M. Travers Headteacher NOLCAT Trustee	5	5
P. Readhead	5	5
M. Waldron	4	5
K. Matthews	4	5
St. Bernadette's	Meeting attended	Out of possible
J Sulkowski Headteacher NOLCAT Trustee	9	9
P Moran NOLCAT Trustee	9	9
P King	9	9
V Grimes	5	9
M Waldron	5	9
C Kennedy	1	9
St. Augustine Websters	Meeting attended	Out of possible
Father E Jarosz NOLCAT Trustee	6	6
Mr D Lisle NOLCAT Trustee	6	6
Mrs S Jolley	4	6
Mrs A Grab	3	6
Mrs E Brolly Headteacher NOLCAT Trustee	6	6

Saint Joseph's	Meetings attended	Out of possible
Amanda Mellows NOLCAT Trustee	3	3
Sarah Pollard Headteacher NOLCAT Trustee	3	3
Christopher Mack	2	3
Graham Perdue	2	3
Maria Wilkins	1	1
St. Mary's Brigg	Meetings attended	Out of possible

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

G. Smith NOLCAT Trustee	5	5
D Sidaway Headteacher NOLCAT Trustee	5	5
E. Patchett	5	5
R Hickey	1	3
P. Smith	4	5
J. Charles-Lee	5	5
St Mary's Grimsby	Meetings attended	Out of possible
K Sherer Head of School	5	5
J Ducey NOLCAT Trustee	5	5
G Krawiec	5	5
P Lamb	3	3
N. Moore	2	3
B. Henry	2	3
St Norbert's	Meetings attended	Out of possible
Mr C Kelsey	5	5
Mr C Poole	2	5
Mrs F Robinson NOLCAT	3	5
Mrs P Tonge Headteacher NOLCAT Trustee	5	5
Mr. T. Evans	4	5
P McHale	1	5
M. Oades	4	5
J Snowden	1	5
NOLCAT Audit Committee	Meetings attended	Out of a possible
M Travers	2	2
C. Mack	2	2
D. Lisle	1	2
A. Mellows	2	2

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Review of value for money

As accounting officer the trustee has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Educational Standards.** The Trust monitors the educational standards of each academy on a termly basis through the analysis of data. Projections are reported and barriers towards achieving targets for each academy are discussed. Intervention strategies put in place by each academy are considered as are the support mechanisms that the academies can give to one another. Furthering the developments of 2013/2014 of an executive headship post being created to support leadership in another Academy, in 2014/2015 Link Directors have been attached to all Academies to enable more rigorous monitoring and evaluation of standards and systems. These link Directors report back to the full board.

- **Better Purchasing.** The Academies in the Trust have begun to work collaboratively on procuring services to reduce costs. For example from 2012-2013 there has been joint purchasing on legal and accountancy services. In 2013-2014 we have built upon this and have negotiated joint procurement for a Human Resources service level agreement at reduced costs due to the number of academies involved. In 2014/2015 we have built upon this further jointly procuring CPD for staff. We have also procured a joint Health and Safety SLA.

- **Better Income Generation.** Each Academy has avenues where additional income is generated for example with regards to lettings. In 2014/2015 joint income generation is an area that the Trust still wishes to develop. The Trust, however, has made use of each Academies venues as a way of saving money. The Trust has reduced outgoings. Reviewing Controls and Managing risks Each Academy has a responsible Officer, who is not part of the Governors' Finance Committee, but who monitors all financial matters and reports back to the full Governing Body. In 2014/2015 the Trust established an Audit Committee as an additional control mechanism.

- **Reviewing Controls and Managing risks.** Each Academy has a responsible Officer or internal reviewer, who is not part of the Governors' Finance Committee, but who monitors all financial matters and reports back to the full Governing Body. In 2014/2015 the Trust established an Audit Committee as an additional control mechanism.

The purpose of the system of internal control

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

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Audit Committees at the individual academies 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 individual Academies have appointed different reviewers to cover this requirement. The following internal reviewers were used, at different academies, during the year; Kevin Coyle, Forrester Boyd, North East Lincolnshire and North Lincolnshire Council.

13 reviews were carried out in total during the year. The specific reviews differed depending on the direction given by committees at individual academies. Examples of some of the work carried out at various academies included :

- Reviewing payroll systems.
- Reviewing purchase systems.
- Considering leases in place.
- Advising on governance.

The audit committee of the NOLCAT also reviews these reports.

All work through the year was carried out as planned. Nothing material was found, with action taken on any issues reported.

The Northern Lincolnshire Catholic Academy Trust

Governance Statement (continued)

Review of effectiveness

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

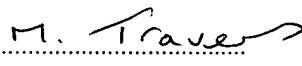
- the work done as part of the internal reviews
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of reviews of the system of internal control by the individual Academy finance committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

There were no material control or other issues reported by the internal reviews to date.

Approved by order of the members of the Governing Body on 14 December 2015 and signed on its behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee

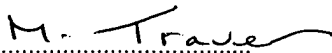
The Northern Lincolnshire Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Northern Lincolnshire Catholic Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Governing Body 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.

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



M M Travers
Accounting officer
14 December 2015

The Northern Lincolnshire Catholic Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

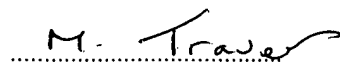
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board on 14 December 2015 and signed on its behalf by:


L A Mellows
Trustee


M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Northern Lincolnshire Catholic Academy Trust

We have audited the financial statements of The Northern Lincolnshire Catholic Academy Trust for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015, issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report (incorporating the strategic report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Northern Lincolnshire Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Northern Lincolnshire Catholic Academy Trust (continued)

Matters on which we are required to report by exception

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

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



Kevin Hopper ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants , Statutory Auditor

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

14 December 2015

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Northern Lincolnshire Catholic Academy Trust (the NOLCAT) during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the NOLCAT's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the NOLCAT's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 from 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency. 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.

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and other Key Management Personnel.

The Northern Lincolnshire Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Northern Lincolnshire Catholic Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kevin Hopper ACA (Reporting Accountant)
For and on behalf of Forrester Boyd Chartered Accountants

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

14 December 2015

The Northern Lincolnshire Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	75,056	-	75,056	16,409,602
Activities for generating funds	3	300,180	-	300,180	325,868
Investment income	4	5,111	-	5,111	2,525
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	10,704,895	377,092	11,081,987	10,295,531
Total incoming resources		11,085,242	377,092	11,462,334	27,033,526
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		64,679	-	64,679	60,817
Cost of generating funds		270,521	-	270,521	310,929
<i>Charitable activities:</i>					
Academy's educational operations		10,085,630	451,123	10,536,753	9,451,664
Governance costs	8	156,873	-	156,873	178,722
Total resources expended	6	10,577,703	451,123	11,028,826	10,002,132
Net incoming/(outgoing) resources before transfers		507,539	(74,031)	433,508	17,031,394
Gross transfers between funds		(524,111)	524,111	-	-
Net (expenditure)/income for the year		(16,572)	450,080	433,508	17,031,394
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	24	(92,000)	-	(92,000)	(587,000)
Net movement in (deficit)/funds		(108,572)	450,080	341,508	16,444,394

The Northern Lincolnshire Catholic Academy Trust

**Statement of Financial Activities for the Year Ended 31 August 2015
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses) (continued)**

Note	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Reconciliation of funds				
(Deficit)/funds brought forward at 1 September 2014	<u>(737,287)</u>	<u>17,394,120</u>	<u>16,656,833</u>	<u>212,439</u>
(Deficit)/funds carried forward at 31 August 2015	<u><u>(845,859)</u></u>	<u><u>17,844,200</u></u>	<u><u>16,998,341</u></u>	<u><u>16,656,833</u></u>

All of the Academy's activities derive from continuing operations during the above two periods.


A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

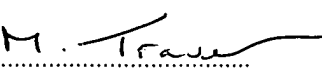
The Northern Lincolnshire Catholic Academy Trust

(Registration number: 07973953)
Balance Sheet as at 31 August 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	17,742,676	17,362,842
Current assets			
Stocks	13	10,220	8,443
Debtors	14	271,411	250,543
Cash at bank and in hand		<u>2,431,890</u>	<u>2,389,138</u>
		2,713,521	2,648,124
Creditors: Amounts falling due within one year	15	<u>(730,856)</u>	<u>(810,133)</u>
Net current assets		<u>1,982,665</u>	<u>1,837,991</u>
Total assets less current liabilities		<u>19,725,341</u>	<u>19,200,833</u>
Net assets excluding pension liability		19,725,341	19,200,833
Pension scheme liability	24	<u>(2,727,000)</u>	<u>(2,544,000)</u>
Net assets including pension liability		<u>16,998,341</u>	<u>16,656,833</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,881,141	1,806,713
Restricted fixed asset fund		17,844,200	17,394,120
Restricted pension fund		<u>(2,727,000)</u>	<u>(2,544,000)</u>
		<u>16,998,341</u>	<u>16,656,833</u>
Total funds		<u>16,998,341</u>	<u>16,656,833</u>

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on 14 December 2015 and signed on their behalf by:


.....
L A Mellows
Trustee


.....
M M Travers
Trustee

The Northern Lincolnshire Catholic Academy Trust

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	19	491,506	873,608
Returns on investments and servicing of finance	20	5,111	2,525
Capital expenditure and financial investment	21	<u>(453,865)</u>	<u>(323,359)</u>
Increase in cash in the year	22	<u>42,752</u>	<u>552,774</u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	42,752	552,774
Net funds at 1 September 2014	<u>2,389,138</u>	<u>1,836,364</u>
Net funds at 31 August 2015	<u>2,431,890</u>	<u>2,389,138</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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 is certainty of receipt.

Donations

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

Other income

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

In 2014, St Bede's Catholic Voluntary Academy, became party to a 125 year lease on the land and buildings they operate from. Extensive building works were completed on the buildings during the year as part of the BSF programme.

As the risks and rewards of ownership are deemed to have transferred to the Trust, St Bede's land and buildings were recognised as a Gift in Kind during 2014. The land and buildings are valued at depreciated replacement cost, based on the results of a professional valuation.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing between £750 - £1,000 (this varies between the individual academies) or more are capitalised as tangible fixed assets 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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.

Asset class	Depreciation method and rate
Leasehold land	125 years straight line basis
Plant and machinery	15% straight line basis
Computer equipment	33% straight line basis
Fixtures and furniture	25% straight line basis
Buildings	50 years straight line basis

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long Term Leasehold property :

The Land and buildings recognised are held on 125 year leases with either the Diocese or North Lincolnshire Council. These are recognised as assets and depreciated accordingly.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

2 Voluntary income

	Restricted funds £	Total 2015 £	Total 2014 £
Educational trips and visits	68,783	68,783	55,491
Donations - capital	-	-	16,342,092
Other donations	6,273	6,273	12,019
	<u>75,056</u>	<u>75,056</u>	<u>16,409,602</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

3 Activities for generating funds

	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	13,077	13,077	17,517
Catering income	16,366	16,366	25,281
Transport Income	56,838	56,838	59,764
School Trips and Clubs Income	53,240	53,240	60,697
Other Income	160,659	160,659	162,609
	<u>300,180</u>	<u>300,180</u>	<u>325,868</u>

4 Investment income

	Restricted funds £	Total 2015 £	Total 2014 £
Bank Interest	<u>5,111</u>	<u>5,111</u>	<u>2,525</u>

5 Funding for Academy's educational operations

	School	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grants					
Capital Grants	St Bede's Catholic Voluntary Academy	-	15,678	15,678	15,543
Capital Grants	St Augustine Webster Catholic Academy	-	8,973	8,973	8,979
Capital Grants	St Bernadette's Catholic Primary Voluntary Academy	-	7,548	7,548	7,555

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Capital Grants	School St Joseph's Catholic Primary Voluntary Academy	-	6,104	6,104	6,037
Capital Grants	St Norberts Catholic Primary Academy	-	5,303	5,303	5,271
Capital Grants	St Mary's Catholic Primary Voluntary Academy (Grimsby)	-	6,477	6,477	10,687
Capital Grants	St Mary's Catholic Primary Voluntary Academy (Brigg)	-	6,059	6,059	6,037
AMF Capital Grant	St Mary's Catholic Primary Voluntary Academy (Brigg)	-	-	-	42,075
AMF Capital Grant	St Augustine Webster Catholic Academy	-	179,600	179,600	22,800
AMF Capital Grant	St Joseph's Catholic Primary Voluntary Academy	-	141,350	141,350	-
		-	377,092	377,092	124,984
DfE/EFA revenue grants					
General Annual Grant	St Bede's Catholic Voluntary Academy	3,535,418	-	3,535,418	3,555,230

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
	School				
	St Mary's				
	Catholic				
	Primary				
	Voluntary				
	Academy				
General Annual Grant	(Brigg)	712,959	-	712,959	708,885
	St Joseph's				
	Catholic				
	Primary				
	Voluntary				
	Academy	833,373	-	833,373	791,754
	St Augustine				
	Webster				
	Catholic				
	Academy	1,545,879	-	1,545,879	1,573,251
	St				
	Bernadette's				
	Catholic				
	Primary				
	Voluntary				
	Academy	1,135,082	-	1,135,082	1,135,289
	St Norberts				
	Catholic				
	Primary				
	Academy	457,567	-	457,567	446,378
	St Mary's				
	Catholic				
	Primary				
	Voluntary				
	Academy				
General Annual Grant	(Grimsby)	974,470	-	974,470	1,010,660
	St Bede's				
	Catholic				
	Voluntary				
	Academy	137,216	-	137,216	147,257
Pupil Premium Grant	St Mary's				
	Catholic				
	Primary				
	Voluntary				
	Academy				
Pupil Premium Grant	(Brigg)	44,545	-	44,545	34,636

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
	School				
	St Joseph's				
	Catholic				
	Primary				
	Voluntary				
Pupil Premium Grant	Academy	76,292	-	76,292	49,753
	St				
	Bernadette's				
	Catholic				
	Primary				
	Voluntary				
Pupil Premium Grant	Academy	77,158	-	77,158	66,343
	St Mary's				
	Catholic				
	Primary				
	Voluntary				
Pupil Premium Grant	Academy (Grimsby)	112,263	-	112,263	109,136
	St Norberts				
	Catholic				
	Primary				
Pupil Premium Grant	Academy	23,270	-	23,270	12,327
	St Augustine				
	Webster				
	Catholic				
Pupil Premium Grant	Academy	84,614	-	84,614	68,716
	St Mary's				
	Catholic				
	Primary				
	Voluntary				
Universal Infants Free	Academy				
School Meals	(Brigg)	48,089	-	48,089	-
	St Joseph's				
	Catholic				
	Primary				
Universal Infants Free	Voluntary				
School Meals	Academy	42,625	-	42,625	-
	St Augustine				
	Webster				
	Catholic				
Universal Infants Free	Academy	109,670	-	109,670	-
School Meals					

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
	School				
	St Bernadette's Catholic Primary Voluntary Academy	68,155	-	68,155	-
Universal Infants Free School Meals	St Norberts Catholic Primary Academy	39,567	-	39,567	-
Universal Infants Free School Meals	St Mary's Catholic Primary Voluntary Academy (Grimsby)	27,332	-	27,332	-
		<u>10,085,544</u>	<u>-</u>	<u>10,085,544</u>	<u>9,709,615</u>
Other government grants					
	St Bernadette's Catholic Primary Voluntary Academy	145,502	-	145,502	141,332
Other Government Grants	St Bede's Catholic Voluntary Academy	45,979	-	45,979	15,397
Other Government Grants	St Mary's Catholic Primary Voluntary Academy (Brigg)	22,468	-	22,468	12,335
Other Government Grants	St Augustine Webster Catholic Academy	165,920	-	165,920	152,403
Other Government Grants	St Joseph's Catholic Primary Voluntary Academy	63,685	-	63,685	24,083

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's educational operations (continued)

		Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Other Government Grants	School St Norberts Catholic Primary Academy	51,857	-	51,857	62,419
	St Mary's Catholic Primary Voluntary Academy (Grimsby)	123,940	-	123,940	52,963
		<u>619,351</u>	<u>-</u>	<u>619,351</u>	<u>460,932</u>
Total grants		<u>10,704,895</u>	<u>377,092</u>	<u>11,081,987</u>	<u>10,295,531</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	64,679	-	64,679	60,817
Costs of activities for generating funds	84,249	7,123	179,149	270,521	310,929
Academy's educational operations					
Direct costs	6,615,948	-	1,246,065	7,862,013	7,342,669
Allocated support costs	<u>1,206,467</u>	<u>1,204,771</u>	<u>263,502</u>	<u>2,674,740</u>	<u>2,108,995</u>
	7,822,415	1,204,771	1,509,567	10,536,753	9,451,664
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>156,873</u>	<u>156,873</u>	<u>178,722</u>
	<u><u>7,906,664</u></u>	<u><u>1,276,573</u></u>	<u><u>1,845,589</u></u>	<u><u>11,028,826</u></u>	<u><u>10,002,132</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases:		
Operating leases - plant and machinery	41,238	32,887
Fees payable to auditor - audit	23,500	22,310
Other services	25,090	6,695
Depreciation	<u>451,123</u>	<u>102,370</u>

7 Charitable activities

	Total 2015 £	Total 2014 £
Direct costs - educational operations		
Teaching and educational support staff costs	6,615,948	6,256,871
Educational supplies	463,463	408,216
Staff development	141,045	99,314
Educational consultancy	490,167	424,763
Other direct costs	<u>151,390</u>	<u>153,505</u>
	<u>7,862,013</u>	<u>7,342,669</u>
Support costs - educational operations		
Support staff costs	1,156,467	1,227,032
FRS 17 service cost adjustment	50,000	(70,000)
Depreciation	451,123	102,370
Maintenance of premises and equipment	369,007	210,490
Cleaning	27,302	36,177
Rent, rates and utilities	247,668	248,417
Insurance	109,671	126,350
Bank interest and charges	1,219	306
Expected return on scheme assets	(152,000)	(123,000)
Interest on defined benefit pension scheme	193,000	182,000
Other support costs	<u>221,283</u>	<u>168,853</u>
	<u>2,674,740</u>	<u>2,108,995</u>
Total direct and support costs	<u><u>10,536,753</u></u>	<u><u>9,451,664</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Governance costs

	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	108,283	108,283	149,717
Auditors' remuneration			
Audit of financial statements	23,500	23,500	22,310
Other Services	25,090	25,090	6,695
	<u>156,873</u>	<u>156,873</u>	<u>178,722</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff

	2015 £	2014 £
Staff costs during the year were:		
Wages and salaries	6,264,635	6,038,106
Social security costs	355,632	385,758
Pension costs	1,065,070	956,213
Supply teacher costs	196,606	150,009
Compensation payments	24,721	24,289
	<u>7,906,664</u>	<u>7,554,375</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,721 (2014: £24,289). Individually, the payments were:

Non-contractual payments £10,400

Non-contractual payments £5,926

Non-contractual payments £2,873

Non-contractual payments £5,522

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
Charitable Activities		
Teachers	100	99
Administration and support	115	113
Management	22	21
	<u>237</u>	<u>233</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No	2014 No
£60,001 - £70,000	2	5
£70,001 - £80,000	3	-
£80,001 - £90,000	1	1

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff (continued)

6 (2014 - 6) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £60,388 (2014 - £57,545).

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Related party transactions - trustees' remuneration and expenses

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

M M Travers

Remuneration: £85,000 - £90,000 (2014 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2014 - £10,000 - £15,000)

S Kilbride Pollard

Remuneration: £70,000 - £75,000 (2014 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2014 - £5,000 - £10,000)

E Brolly

Remuneration: £70,000 - £75,000 (2014 - £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2014 - £5,000 - £10,000)

J Sulkowski

Remuneration: £70,000 - £75,000 (2014 - £65,000 - £70,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

A Norton

Remuneration: (2014 - £60,000 - £65,000)

Employer's pension contributions: (2014 - £5,000 - £10,000)

P Tonge

Remuneration: £55,000 - £60,000 (2014 - £55,000 - £60,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

D Sidaway

Remuneration: £50,000 - £55,000 (2014 -)

Employer's pension contributions: £5,000 - £10,000 (2014 -)

£88,101 was paid to the highest paid director, along with pension contributions of £12,422

During the year ended 31 August 2015, travel and subsistence expenses totalling £339 (2014 - £2,654) were reimbursed or paid directly to 1 trustees (2014 - 1).

Related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 (2014: £2,000,000) (per academy) on any one claim and the cost for the period ended 31 August 2015 was approximately £250 (2014: £250) (per academy).

The cost of this insurance is included in the total insurance cost.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	17,092,969	175,572	284,571	17,553,112
Additions	<u>476,913</u>	<u>268,736</u>	<u>85,308</u>	<u>830,957</u>
At 31 August 2015	<u>17,569,882</u>	<u>444,308</u>	<u>369,879</u>	<u>18,384,069</u>
Depreciation				
At 1 September 2014	10,214	75,207	104,849	190,270
Charge for the year	<u>304,495</u>	<u>63,235</u>	<u>83,393</u>	<u>451,123</u>
At 31 August 2015	<u>314,709</u>	<u>138,442</u>	<u>188,242</u>	<u>641,393</u>
Net book value				
At 31 August 2015	<u>17,255,173</u>	<u>305,866</u>	<u>181,637</u>	<u>17,742,676</u>
At 31 August 2014	<u>17,082,755</u>	<u>100,365</u>	<u>179,722</u>	<u>17,362,842</u>

The individual academies within the trust also occupy land and property owned by the Diocesan Trustees. Where there is no formal lease in place, these assets are not included in the above figures, as they are held based on an informal "licence to operate" in the properties owned by the Diocese. Enhanced detail is contained in the Related Party disclosure (number 25). St Bede's Academy is an exception to this as they are party to a 125 year lease over their land and buildings.

13 Stock

	2015 £	2014 £
Stocks	<u>10,220</u>	<u>8,443</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

14 Debtors

	2015 £	2014 £
Trade debtors	2,846	7,949
Prepayments	108,379	69,440
VAT recoverable	67,815	87,415
Other debtors	92,371	85,739
	<u>271,411</u>	<u>250,543</u>

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	367,860	403,223
Other taxation and social security	191,686	198,937
Accruals	160,294	76,619
Deferred income	11,016	131,354
	<u>730,856</u>	<u>810,133</u>
		2015
		£
Deferred income at 1 September 2014		131,354
Resources deferred in the period		11,016
Amounts released from previous periods		<u>(131,354)</u>
Deferred income at 31 August 2015		<u>11,016</u>

The deferred income held relates to nursery funding received for a facility that had not yet opened.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	771,896	9,194,747	(8,974,865)	(343,687)	648,091
Other Government Grants (Local Authority)	222,007	509,623	(457,892)	-	273,738
Other DfE Grants	238,388	665,085	(682,680)	-	220,793
St Bernadette's Catholic Primary Voluntary Academy	55,186	30,327	(14,529)	-	70,984
St Bede's Catholic Voluntary Academy	132,807	174,484	(161,755)	-	145,536
St Augustine Webster Catholic Academy	82,044	41,520	(35,836)	-	87,728
St Joseph's Catholic Primary Voluntary Academy	48,678	20,241	(17,481)	-	51,438
St Mary's Catholic Primary Voluntary Academy (Brigg)	15,544	24,253	(13,294)	-	26,503
St Norbert's Catholic Primary Voluntary Academy	17,648	66,243	(62,962)	-	20,929
St Mary's Catholic Primary Academy	222,515	23,281	(29,342)	-	216,454
Universal Infant Free School Meals	-	335,438	(36,067)	(180,424)	118,947
	<u>1,806,713</u>	<u>11,085,242</u>	<u>(10,486,703)</u>	<u>(524,111)</u>	<u>1,881,141</u>
Restricted fixed asset funds					
DfE Capital Grant	177,247	56,142	(20,601)	-	212,788
AMF Capital Grant	106,950	320,950	(13,366)	-	414,534
Restricted Fixed Asset Fund	431,364	-	(83,991)	524,111	871,484
Donated assets from LA	336,467	-	(41,628)	-	294,839
St Bede's School Land and Buildings from Diocese	<u>16,342,092</u>	<u>-</u>	<u>(291,537)</u>	<u>-</u>	<u>16,050,555</u>
	17,394,120	377,092	(451,123)	524,111	17,844,200
Restricted pension funds					
Pension reserve	<u>(2,544,000)</u>	<u>-</u>	<u>(183,000)</u>	<u>-</u>	<u>(2,727,000)</u>
Total funds	<u>16,656,833</u>	<u>11,462,334</u>	<u>(11,120,826)</u>	<u>-</u>	<u>16,998,341</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

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

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

Local Authority Statement funding is provided for the provision of services for children with special educational needs. This is included within other government grants as part of restricted funds.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated, this is included within other DfE income. The grant does not have to be completely spent by schools in the financial year. This is included within other DfE grants as part of restricted funds.

Universal Infants Free School Meals funding is primarily to be used to provide children with a free school meal. However any amounts not spent on this purpose can be used for any other purpose applicable to the objectives of the Trust.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the school transferred from the local authority on conversion. The expenditure is the depreciation of the land since conversion up to the 31 August 2015.

St Bede's school buildings refers to the land and buildings, owned by the Diocese, for which a 125 year lease was granted during 2015.

Other restricted funds represent the general funds of each individual academy. The funds can only be spent at the academy which generates them. Where there is a high level of funds held at the period end, necessary capital activity is planned to utilise these resources.

The transfers represent £524,111 of capital expenditure that was funded by the General Annual Grant. The remaining £180,424 transferred represents UIFSM expenditure that was previously included as GAG expenditure.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
St Augustine Webster Catholic Academy	147,992
St Mary's Catholic Primary Voluntary Academy (Brigg)	122,922
St Bede's Catholic Voluntary Academy	758,347
St Joseph's Catholic Primary Voluntary Academy	103,223
St Bernadette's Catholic Primary Voluntary Academy	465,021
St Mary's Catholic Primary Voluntary Academy (Grimsby)	220,959
St Norberts Catholic Primary Academy	<u>62,677</u>
Total before fixed assets and pension reserve	1,881,141
Restricted Fixed Asset Fund	17,844,200
Pension reserve	<u>(2,727,000)</u>
Total	<u><u>16,998,341</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
St Augustine Webster Catholic Academy	1,113,094	283,913	61,621	520,895	1,979,523
St Mary's Catholic Primary Voluntary Academy (Brigg)	471,107	107,706	16,312	186,467	781,592
St Bede's Catholic Voluntary Academy	2,251,022	542,121	93,226	824,968	3,711,337
St Joseph's Catholic Primary Voluntary Academy	712,164	111,009	12,781	210,958	1,046,912
St Bernadette's Catholic Primary Voluntary Academy	898,998	148,841	23,015	225,220	1,296,074
St Mary's Catholic Primary Voluntary Academy (Grimsby)	700,684	146,305	24,883	271,358	1,143,230
St Norberts Catholic Primary Academy	349,610	70,092	25,164	174,169	619,035
Academy Trust	<u>6,496,679</u>	<u>1,409,987</u>	<u>257,002</u>	<u>2,414,035</u>	<u>10,577,703</u>

17 Analysis of net assets between funds

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	17,742,676	17,742,676
Current assets	2,611,996	101,525	2,713,521
Current liabilities	(730,856)	-	(730,856)
Pension scheme liability	<u>(2,727,000)</u>	<u>-</u>	<u>(2,727,000)</u>
Total net assets	<u>(845,860)</u>	<u>17,844,201</u>	<u>16,998,341</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

18 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015	2014
	£	£
Other		
Within one year	4,449	1,466
Within two to five years	<u>34,036</u>	<u>39,772</u>
	<u><u>38,485</u></u>	<u><u>41,238</u></u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	433,508	17,031,394
Depreciation	451,123	102,370
Capital Income	(377,092)	(16,467,073)
Interest receivable	(5,111)	(2,525)
FRS 17 expected return on scheme assets	(152,000)	(123,000)
FRS 17 interest on defined benefit pension scheme	193,000	182,000
FRS17 service cost adjustment	50,000	(70,000)
(Increase)/decrease in stocks	(1,777)	3,179
Increase in debtors	(20,868)	(34,615)
(Decrease)/increase in creditors	<u>(79,277)</u>	<u>251,878</u>
Net cash inflow from operating activities	<u>491,506</u>	<u>873,608</u>

20 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	<u>5,111</u>	<u>2,525</u>
Net cash inflow from returns on investments and servicing of finance	<u>5,111</u>	<u>2,525</u>

21 Capital expenditure and financial investment

	2015 £	2014 £
Acquisition of tangible fixed assets	(830,957)	(16,790,432)
Capital grants from DfE	377,092	124,981
Donated tangible fixed assets	<u>-</u>	<u>16,342,092</u>
Net cash outflow from capital expenditure and financial investment	<u>(453,865)</u>	<u>(323,359)</u>

22 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>2,389,138</u>	<u>42,752</u>	<u>2,431,890</u>

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

23 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.

24 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £576,490 (2014: £557,944)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website .

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £525,000 (2014 - £554,000), of which employer's contributions totalled £428,000 (2014 - £464,000) and employees' contributions totalled £97,000 (2014 - £90,000). The agreed contribution rates for future years are 24.9 per cent for employers and 5 to 7 per cent 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.

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.10	3.90
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	<u>3.80</u>	<u>3.70</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to discount rate			
Present value of total obligation	<u>112,000</u>	-	-
	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to rate of inflation			
Present value of total obligation	<u>50,000</u>	-	-
	+ 0.5% £	0.0% £	- 0.5% £
Adjustment to rate of salary growth			
Present value of total obligation	<u>59,000</u>	-	-
	+ 1 Year £	None £	- 1 Year £
Adjustment to mortality age rating assumption			
Present value of total obligation	<u>24,000</u>	-	-

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.00	22.00
Females retiring today	24.00	24.00
Retiring in 20 years		
Males retiring in 20 years	24.00	24.00
Females retiring in 20 years	<u>27.00</u>	<u>27.00</u>

The academy's share of the assets and liabilities in the scheme were:

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

	At 31 August 2015 £	At 31 August 2014 £
Equities	2,192,000	1,851,000
Corporate bonds	291,000	241,000
Property	321,000	168,000
Cash	<u>117,000</u>	<u>145,000</u>
Total market value of assets	2,921,000	2,405,000
Present value of scheme liabilities - funded	<u>(5,648,000)</u>	<u>(4,949,000)</u>
Deficit in the scheme	<u>(2,727,000)</u>	<u>(2,544,000)</u>

The expected rates of return were:

	At 31 August 2015 %	At 31 August 2014 %
Equities	4.00	6.00
Corporate bonds	4.00	3.00
Property	4.00	5.00
Cash	<u>4.00</u>	<u>3.00</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £17,000 (2014 - £223,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost	<u>50,000</u>	<u>(70,000)</u>
Total operating charge	<u>50,000</u>	<u>(70,000)</u>

Analysis of pension finance income/(costs)

	2015 £	2014 £
Expected return on pension scheme assets	152,000	123,000
Interest on pension liabilities	<u>(193,000)</u>	<u>(182,000)</u>
Pension finance costs	<u>(41,000)</u>	<u>(59,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£623,000) (2014 - (£531,000)).

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2015 £	2014 £
At 1 September	4,949,000	3,753,000
Current service cost	478,000	394,000
Interest cost	193,000	182,000
Employee contributions	97,000	90,000
Actuarial (gains)/losses	(44,000)	561,000
Benefits paid	(25,000)	(31,000)
At 31 August	<u>5,648,000</u>	<u>4,949,000</u>

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

	2015 £	2014 £
At 1 September	2,405,000	1,785,000
Expected return on assets	152,000	123,000
Actuarial losses	(136,000)	(26,000)
Employer contributions	428,000	464,000
Employee contributions	97,000	90,000
Benefits paid	(25,000)	(31,000)
At 31 August	<u>2,921,000</u>	<u>2,405,000</u>

The estimated value of employer contributions for next period is £433,000 (2014 - £405,000).

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

	2015 £	2014 £	2013 £	2012 £
Present value of scheme liabilities	(5,648,000)	(4,949,000)	(3,753,000)	(2,505,000)
Fair value of scheme assets	<u>-</u>	<u>2,405,000</u>	<u>1,785,000</u>	<u>930,000</u>
Deficit in the scheme	<u>(5,648,000)</u>	<u>(2,544,000)</u>	<u>(1,968,000)</u>	<u>(1,575,000)</u>
	2015 £	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	(19,430)	(3,710)	17,430	(3,000)
Experience adjustments arising on scheme liabilities	<u>-</u>	<u>(23,000)</u>	<u>-</u>	<u>-</u>

Comparative figures have not been restated as permitted by FRS 17.

The Northern Lincolnshire Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted in accordance with EFA direction, the Academy's financial regulations and normal procurement procedures.

During the year the academy made the following related party transactions:

Lisle Marsden Academy (prior year only)

This relationship ceased in the prior year and is disclosed for comparative purposes only. The academy was related to the trust due to common key personnel. One former NOLCAT trustee acted as Head for the above and for one of the Academies within the trust (St Mary's Grimsby). This trustee resigned in December 2013.

The Head Teacher was remunerated for their services to St Mary's Grimsby via recharges paid to Lisle Marsden Academy. Amounts paid by St Mary's Grimsby to Lisle Marsden during the year were £nil (2014 : £14,656) At the balance sheet date the amount due to Lisle Marsden Academy (prior year only) was £Nil (2014 - £Nil).

The Nottingham Roman Catholic Diocese

The Trust operates under the guidance of the Diocese and occupies property owned by the Diocese.

The Trust paid contributions to the Diocese of £13.50 per pupil during the year, totalling £30,308 (2014 : £28,286). This represents the standard contribution for membership and use of the Diocesan education service.

The Trust also paid the Diocese for other professional fees and services arising during the year, totalling £21,642 (2014 :£23,001).

The academy trust Company occupies land (including buildings) which are owned by its Trustees who are the Nottingham Roman Catholic Diocese. The Trustees are the providers of the Northern Lincolnshire Catholic Academy Trust . 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.

St Bede's Academy are an exception to this as, in 2014 they became party to a 125 year lease to their land and buildings. This was due an extensive new build at the Academy as part of the Building Schools for the future scheme.

At the balance sheet date the amount due to The Nottingham Roman Catholic Diocese was £Nil (2014 - £Nil).