

Registrar's Copy

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Mr K Williams Mr D Walters Mrs K Regan Mr P Fuller
Trustees	Mr K Williams Mr T Parfett, Executive Director Mrs L Tyler, Chair Mr T Drakes Mrs K Regan (resigned 23 March 2017) Mr D Walters, Vice Chair Mrs S Coote (appointed 3 May 2017)
Company registered number	08407989
Company name	Catalyst Academies Trust
Principal and registered office	Dilkes Academy Garron Lane South Ockendon Essex RM15 5JQ
Senior management team	T Parfett, Headteacher Quarry Hill S Walker, Headteacher Benyon K Imbush, Headteacher Somers Heath
Independent auditors	MWS Chartered Accountants Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	HSBC Bank PLC 99 High Street Chelmsford Essex CM1 1EQ

CATALYST ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Catalyst Academies Trust (the Academy) for the year ended 31 August 2017. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Discussion on conversion to academy trust

On 18th February 2013 Catalyst Academies Trust was granted Academy Trust status under the Academies Act 2010. Quarry Hill Primary School & Benyon Primary School joined the Trust on 1st July 2013 and 1st April 2013 respectively. Somers Heath Primary School joined the Trust on during this academic year on 1st June 2017. All the operations assets and liabilities were transferred to Catalyst Academies Trust from the Thurrock Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

a. 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 18th February 2013. The company registration number is 08407989.

The Governors act as the Trustees for the charitable activities of Catalyst Academies Trust and are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Catalyst Academies Trust .

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

The principal activity of the Academy Trust is to advance, for the public benefit, education in Essex and surrounding areas by maintaining, managing and developing a broad and balanced curriculum.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The overseeing Board consists of 5 Directors and 1 Executive Director, 3 were appointed by the Academy sponsor Dilkes Academy in accordance with the Articles of Association, 2 were appointed by the members. Future appointments will be made at the discretion of the existing members.

The Local Governing Bodies Governor recruitment is through a combination of approaches, one being the co

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

option of those with necessary skills and from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the Board of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers.

Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice Chair are elected to the position annually.

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

The Trust provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a Trust Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy Trust. The Academy Trust also purchases training from appropriate bodies.

e. ORGANISATIONAL STRUCTURE

Catalyst Academies Trust has effectively recruited new staff to ensure that there is the capacity to coordinate the support plans that the sponsored academies require. This extra capacity has meant that the Trust has been able to continue offer this assistance that academies need on an ongoing basis.

The appointment of an Executive Director has meant that there is clear strategic direction for the Headteacher at each of the Academies. They set targets and directly line manage the schools to achieve the high expectations that Catalyst Academies Trust expects.

The facilities that were developed have created an effective base of operations for the Catalyst Academies Trust team. This in turn has helped in increasing capacity as the resourcing, space and staffing can be focused on Academy sponsorship more effectively.

The two additional Catalyst posts not only allow the Trust to effectively assist with the conversion of the schools but also to ensure continued support for existing schools:

The Operations Director has not only proved essential in the conversion process but has also proved invaluable in giving clear guidance on a wide variety of school systems, governance and compliance issues as well as bursary support.

The continued value that is added by the Governance Manager has been pivotal in the branding of Catalyst and the Academies, co ordinating web design and school communications. They have been auditing the effectiveness of school systems and action planning what can be done to improve things further. This has also meant that there are clear channels for the Academies and Catalyst to communicate.

Catalyst staff have worked to maintain the strength of the brand effectively, through good communications, strengthening the ties between the three schools and clearly demonstrating Catalyst's commitment to high standards and to the wider community.

The team have successfully coordinated shared learning events between the three academies and these have proven very successful and impacted positively on all stakeholders. The first Academy has already made good progress with outcomes for pupils improving rapidly and the second Academy has started to make accelerated progress. Future events are being established to promote and build on the success so far and to strengthen the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

learning community within Catalyst.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Catalyst Academies Trust is connected to its sponsor Academy Dilkes Academy. Transactions between Catalyst Academies Trust and Dilkes Academy are disclosed in note 29 to the Financial Statements.

g. RISK MANAGEMENT

The Catalyst Academies Trust undertakes a comprehensive assessment of possible risks to the future of the Trust (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the Academy has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement).

The Risk Register is regularly reviewed by the Board of the Academy Trust.

h. TRUSTEES' INDEMNITIES

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

Objectives and Activities

a. OBJECTS AND AIMS

Catalyst Academies Trust is an organisation that was established to effectively coordinate and deliver support programmes for sponsored academies. All staff feel that it is their moral duty to support other schools in providing high quality, teaching and learning experiences and effectively uses Dilkes Academy, a school which is rated as outstanding by Ofsted and designated as a Teaching School, to deliver its programmes.

b. PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Achievements and performance

a. KEY PERFORMANCE INDICATORS

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Quarry Hill Academy

EYFS

Prime					Specific					All					GLD				
Nat*	14	15	16	17	Nat*	14	15	16	17	Nat	14	15	16	17	Nat	14	15	16	17
78%	70%	82%	73%	74%	69%	55%	77%	70%	69%	67%	51%	77%	70%	67%	69%	51%	80%	70%	67%

Year 2

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	83%	79%	20%	7%
National	76%	79%	25%	28%

Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	77%	71%	10%	7%
National	68%	72%	16%	18%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	78%	71%	13%	7%
National	75%	79%	21%	23%

EXS – Expected Standards and AGD – At Greater Depth as outlined in the interim assessment framework

Phonics

Year 1 2015-2016	Year 1 2016-17	Total Pass 2015-16	Total Pass 2016- 2017
85%	84%	96%	93%

Phonics data refers to % of pupils at or above age expectations:

Year 6

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	98.3%	100%	47%	52%
National	71%	75%	25%	29%

Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	95%	93%	25%	17%
National	76%	81%	18%	21%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	100%	100%	42%	28%
National	75%	80%	23%	27%

RWM	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	93.3%	93.3%	18%	10%
National	61%	67%	9%	11%

The success of the school has resulted in the school being almost full in all but the bulge year groups. These are quickly being filled by local pupils and with two large housing developments being planned it could result in a possible strain on school places over the next few years.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Year Group	R	Y1	Y2	Y3	Y4	Y5	Y6
	30	30	30	30	30	30	30
	30	30	30	30	30	30	30
				30	30	30	30
Totals	60	60	60	60	90	90	90

Attendance

Attendance for the school was 96.7% in 2016/17

Outcomes for pupils: Outstanding

Attainment and progress at KS2 exceeded national expectations in all subjects with progress from KS1 to KS2 being outstanding and in the top 5% of schools nationally.

The proportion of pupils meeting age expectations exceeded national for all subjects with a combined 93% compared to 61% nationally.

At KS2 we have set challenging targets and planned appropriate interventions. The progress of all groups was at least good.

The current gap between disadvantaged pupils and others nationally has been closed as they now outperform all pupils nationally for the children reaching age expectations but further intervention is needed for higher attaining pupils. Their progress is also much stronger than previous years.

At KS1 pupils the proportion of pupils meeting age expectations is above national for every subject.

There was a high proportion of pupils who met meet or exceeded National expectations in the phonic screening tests. Pupils met or exceeded national averages in Year 1 and Year 2.

EYFS assessment and quality of teaching has improved and for the cohort of pupils 69% of pupils achieving GLD by the end of the year, which being very slightly below national demonstrated that progress from a very low starting point was very good indeed.

The progress of all year groups was at least inline last year and the proportion of pupils working at ARE increasing year on year.

Quality of teaching, learning and assessment: Outstanding

All teaching over time is judged to be consistently good or better. As part of our on-going review process all Catalyst Achievement leads review marking, planning and standards in every year group.

The robust marking and feedback policy ensures that all learners know what next steps are needed to improve their learning. Pupil voice questionnaires evidence a strong desire to learn.

A structured approach to homework ensures challenge and embedded knowledge and skills in Maths and English.

The vast majority of parents agreed that they receive valuable information about their child's progress and how to support their child at home. The school's interim assessment effectively tracks progress of all learners, analysing gaps and informing planning.

Personal development, behaviour and welfare: Outstanding

Behaviour and safety are exemplary. Pupils are polite to each other and relationships with staff are excellent. School promotes and celebrates our core values which prepares them for life in modern Britain.

Pupils are proud of the school and want to celebrate success for all learners as well as plan charitable events for

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the wider community. Weekly 'Big Question' assemblies encourage debate and reasoning.

The vast majority of pupils and parents believe that behaviour is good.

Attendance is improving year on year due to vigorous absence procedures.

Effective pastoral notes are kept for pupils and a pastoral team regularly review the provision and chronology of concerns. All pupils feel safe in school and understand exactly what to do if they feel uncomfortable in any situation.

School engages with a number of external agencies promoting healthy lifestyles and has three PE sessions a week. As well as weekly guidance on the newsletter, website and Twitter, the ICT lead holds parent e-safety workshops.

A culture of vigilance is promoted where timely and appropriate safeguarding action is taken.

Effectiveness of leadership and management: Outstanding

Leaders and Governors have created a culture that enables all to excel. An unwavering commitment to high expectations for conduct ensures exemplary relationships between all.

The Headteacher has a firm understanding of teaching and learning and has established effective working relationships with the SLT consistently communicating high expectations and ambition. Recent success has meant that he has now been designated as a National Leader for Education and the school as National Support School.

The Head of School is an outstanding practitioner who is extremely effective in developing teachers. She is also an SLE for English and all Quarry Hill Academy staff have access to her expertise and has been designated as a Local Leader for Education.

Under the quality leadership of the SENCO, all teachers have effective strategies to assist meeting the needs of pupils in class. Achievement of pupils with DSEN has rapidly improved.

Pupil premium funding has enabled targeted interventions, resources and staffing resulting in accelerated progress for all pupils and exceeding national averages.

The Governor's Catalyst toolkit systematically challenges senior leaders. The Governors receive training and regularly visit the school to review safeguarding procedures.

The school's distributed leadership model assists the routine assessment and evaluation process ensuring appropriate and stimulating coverage of their subject and reviews this in terms of pupil performance, coverage and impact.

Our research into 'Growth Mindset', which was part of the teaching school's research programme, created an embedded culture of high expectations and provided HIT strategies to add to our own Quarry Hill Academy 'Best Methods Manual'.

The Headteacher and Head of School actively coach and mentor staff both in the Catalyst group and within the Local Authority. They are also actively involved in supporting the LA in delivering outcomes established in light of the Thurrock Education Commission report and the DFE published the schools name as an establishment too visit to view best practice.

Effectiveness of the Early Years provision: the quality and standards: Outstanding

Each of the seven areas of learning are planned with interesting and challenging experiences and differentiated. Half termly interim assessments, which are precise and sharply focused, are used effectively to plan next steps for the children.

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Regular observations show that the quality of teaching is improving rapidly.

Parents contribute to initial assessments of a child's starting point with the child's class teacher. This is then followed up by a visit where parents bring their child to explore the setting and experience it first-hand.

Staff complete a home visit for children new to the school in Nursery and Reception in order to strengthen links between home and school.

Weekly newsletters encourage parents/carers to share information about their child's learning.

It is clear from the results of the parent's questionnaire that children feel safe and enjoy coming to school.

EYFS assessment and quality of teaching has improved and for the cohort of pupils 70% of pupils achieving GLD by the end of the year was very good indeed. The transition process from Reception to Year 1 is robust.

Overall effectiveness: the quality of education provided in the school: Outstanding

Current levels of attainment look set to exceed those in 2017 which were significantly above national expectations due to the relentless drive for improved outcomes by the Headteacher, senior leaders and Governors.

In 2017, progress was outstanding and in the top 5% of schools nationally Quarry Hill Academy is still the highest performing primary school in Thurrock.

The proportion of pupils meeting age related expectations exceeded national by some margin for all subjects with a combined Reading, Writing and Maths reaching 93% compared to 61% nationally.

The progress of all year groups was at least in-line last year and the proportion of pupils working at ARE are increasing year on year.

Rigorous assessment means that every pupils' attainment and progress are closely scrutinised and appropriate resources allocated to maximise performance.

The progress and attainment of pupils with SEN and in receipt of pupil premium was above national expectations and they made outstanding progress.

Quality of teaching and learning is outstanding due to the rigorous monitoring, coaching and support plans that are put in place, utilising the expertise from the school and across the Trust.

Whilst the EYFS is currently judged to be good, there is a robust action plan in place to move this to outstanding by the end of the academic year.

Rapid progress and achievement in excellence is celebrated and promoted enabling children to become self-assured, independent learners who will thrive in modern day Britain.

Safeguarding is effective and the pastoral support system enables the school to monitor, track and anticipate concerns through detailed chronological logs and proactively seek support for both families and pupils concerned.

Key Improvement Priorities for the next academic year:

To continually improve and reflect on the quality and consistency of effective teaching (100% graded good and 75% outstanding) across the school through a focus on:

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well differentiated pupil tasks that enable all pupils to demonstrate independence and rapid progress in their learning.

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To raise standards across the school through the use of effective assessment and monitoring systems with a focus on the performance of the lowest 20% of learners in each year group with these pupils receiving teacher led support at least 3 times a week in English and Maths lessons.

To raise standards of presentation in all written work in the school through consistent high expectations in the quality and consistency in handwriting.

To promote reading for pleasure – all staff to be accountable for promoting a love of reading.

Refine and enhance the newly adopted single point tracking system to ensure that it promotes high expectations and exceptional progress. Staff to develop a proactive, responsive ethos for addressing and developing individual pupils' needs and understand their level of accountability.

To improve the progress and attainment rates of SEN pupils and those in receipt of pupil premium to match that of all other groups through individualised programmes and early identification through interim assessment.

Development of roles of middle leaders to set consistent high expectations of all stakeholders and develop understanding of accountability:

Year Leads – effective analysis of interim assessments and actions to ensure progress for all; analysis of impact of Wave 2 Interventions; performance management and coaching of parallel teachers; effective and rigorous mentoring of NQTs/students to ensure high expectations for quality teaching and learning are met by all.

Curriculum Leads – successful application of quality mark for given subject; clear action plan to develop subject; confident ownership of subject area and proactive approach to sourcing and implementing new initiatives promoting high expectations and consistent outcomes throughout the Trust.

Outreach support – Achievement leaders to support other year groups/ curriculum leads in Catalyst schools in planning and teaching and learning; monitor and ensure central drive is updated and resources are all accessible.

System Leadership – develop SLE leadership capacity through effective deployment in other schools in Thurrock; contribute to training programmes for students and NQTs.

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TRUSTEES' REPORT (continued)
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Benyon Primary School

EYFS

Prime				Specific				All				GLD			
Nat*	Em	Exp	Ex	Nat*	Em	Exp	Ex	Nat	Em	Exp	Ex	Nat	Em	Exp	Ex
78%	13%	84%	3%	69%	27%	70%	3%	67%	21%	76%	3%	69%	23%	77%	0%

Year 2

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	69%	71%	14%	14%
National 2017	76%	79%	25%	28%

Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	72%	71%	7%	0%
National 2017	68%	72%	16%	18%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	62%	29%	14%	14%
National 2017	75%	79%	21%	23%

EXS – Expected Standards and AGD – At Greater Depth as outlined in the interim assessment framework

Phonics

Year 1 2015-2016	Year 1 2016-17	Year 2 2015-16	Year 2 2016-2017
86%	83%	86%	90%

Phonics data refers to % of pupils at or above age expectations

Year 6

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	71%	67%	14%	0%
National 2017	71%	75%	25%	29%

Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	89%	83%	21%	8%
National 2017	76%	81%	18%	21%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	71%	50%	4%	0%
National 2017	75%	80%	23%	27%

Attendance

Attendance for the school was at 94.8% for 2016-2017.

The success of the school has resulted in the school being almost full with the exception of year 5. A large housing development is in the process of being completed within catchment which could result in a possible strain on school places in future years.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Year Group	R	Y1	Y2	Y3	Y4	Y5	Y6
	30	30	30	30	30	30	30
Totals	30	30	30	26	29	21	24

Outcomes for pupils: Good

The schools move to the Catalyst assessment system and curriculum has had a positive impact on attainment.

Pupils at the end of EYFS meet or exceed expectations for GLD with 77% compared to the 70% of pupils nationally.

Phonics screening check (June 2017) on an upward 4 year trend – 86%.

At KS1 (July 2017) attainment is down on previous years and was the result of the number of recruitment and retention issues that the school had in 2016-2017.

The school met floor standard this year 2017 as progress from KS1 to KS2 was higher than that prescribed by the Department for Education.

Attainment at KS2 rose in 2017 and the school either met or exceeded national expectations for every subject apart from maths. This demonstrates a huge improvement and that the assessment and curriculum are impacting positively on pupil attainment.

Quality of teaching, learning and assessment: Good/Requires Improvement

The quality of teaching over time was judged to be good at the end of the academic year. However the outcomes for all learners do not reflect this. There have been recruitment and retention issues that the school has had to overcome but in 2017 with the new leadership structure it should stabilise and outcomes improve.

Further work on the Benyon Best Methods Manual will rapidly improve pupils' engagement and lead to the accelerated progress of pupils through a set repertoire of teaching methods that teachers engage regularly with.

Feedback from teachers verbally and through marking enables some pupils to improve the quality of their work. The teachers use marking codes that give pupils instant feedback on how to improve their work.

Personal development, behaviour and welfare: Good

The conduct is good. Pupils are generally polite and well mannered, showing respect for themselves and others.

The vast majority of pupils have a positive attitude towards their learning. Attendance at 94.8% and now just below the national average.

The pupils' personal development and welfare are good. The pupils are well cared for, feel safe and are taught how to look after themselves in a variety of situations, including online and road safety.

Safeguarding is effective.

Effectiveness of leadership and management: Good

Headteacher and Deputy Headteacher work well as a team sharing a vision for the future of the school.

Self-evaluation enables priorities to be identified and actions planned to raise quality of teaching, learning, assessment and outcomes for pupils.

Leaders have a clear role involving monitoring the quality of teaching, learning, assessment and achievement in their areas and supporting their colleagues.

Effective partnerships contribute to the school's improved performance and support the work of colleagues in other schools.

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Staff and governors are committed to ensuring equality of opportunity and raising achievement.

The curriculum is engaging for all pupils, building on their interests and broadening their experiences.
The school is committed to promoting fundamental British Values and takes every opportunity to do so.

Effectiveness of the Early Years provision: the quality and standards: Good.

Reception progress - the proportion of children achieving GLD was 77% by the summer term.
The quality of teaching over time is consistently good in the nursery and responsive to children's needs. It is not consistent in Reception.

Early intervention, child initiated learning and individualised provision that is responsive to the needs of each child.

Personal development, behaviour and welfare are good. Children's good behaviour and independence within the environment show that they feel safe.

Provision across all areas of learning is well planned and based on regular, accurate assessments of children's achievements so every child undertakes challenging activities.

Overall effectiveness: the quality of education provided in the school: Good

Ofsted judged the school to be good overall and good in all five categories in March 2015.

The school's aspirational school improvement plan will ensure good progress continues to be made focusing on the following priorities:

- To improve attendance and reduce persistent absence.
- For all teaching to be at least good.
- For subject leaders to have a positive impact on learner outcomes.
- To improve mathematic outcomes across key stage 1 and 2, including closing attainment gaps and sufficiently challenging the most-able.
- Disadvantaged pupils to make progress in-line with, or better than, non-disadvantaged pupils in reading, writing and mathematics.
- For effective deployment of effective adults to support pupils on the SEN register to make good or better progress.

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Somers Heath Primary School

EYFS

Prime					Specific					All					GLD				
Nat*	14	15	16	17	Nat*	14	15	16	17	Nat	14	15	16	17	Nat	14	15	16	17
78%	70%	67%	80%	88%	69%	57%	63%	64%	70%	67%	57%	63%	64%	71%	69%	57%	63%	64%	71%

Year 2

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	77%	55%	30%	9%
National	76%	79%	25%	28%

Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	63%	36%	13%	9%
National	68%	72%	16%	18%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	77%	64%	30%	0%
National	75%	79%	21%	23%

RWM	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	80%	71.4%	7%	0%
National	61%	67%	9%	11%

EXS – Expected Standards and AGD – At Greater Depth as outlined in the interim assessment framework

Phonics

Year 1 2015-16	Year 1 2016-17	Total Pass 2015-16	Total Pass 2016-17
83%	84%	96%	100%

Phonics data refers to % of pupils at or above age expectations

Year 6

Reading	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	80%	71.4%	20%	21.4%
National	71%	75%	25%	29%

Maths	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	90%	78.5%	16.6%	7.1%
National	75%	80%	23%	27%
Writing	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	80%	71.4%	10%	0%
National	76%	81%	18%	21%

EXS – Expected Standard and AGD – At Greater Depth as outlined in the interim assessment framework

Attendance

2017-18 Attendance to date: 97.2%

The school has undergone extensive refurbishment and expansion in 2016/17. This coupled with the Good outcome in the most recent Ofsted inspection and positive reputation locally has resulted in pupil numbers growing rapidly.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Year Group	R	Y1	Y2	Y3	Y4	Y5	Y6
	60	60	60	30	60	60	30
Totals	54	59	60	30	60	49	30

RWM	EXS		AGD	
	Cohort	Disadvantaged	Cohort	Disadvantaged
Attainment	80%	71.4%	7%	0%
National	61%	67%	9%	11%

Outcomes for pupils: Good

The schools move to the Catalyst assessment system will assist the school in monitoring pupil progress rates effectively and raise attainment further in future years.

Pupils at the end of EYFS meet or exceed expectations for GLD with 71% compared to the 70% of pupils nationally.

Phonics screening check (June 2017) on an upward 4-year trend – 100%. passed by the required standard by the end of KS1.

At KS1 (July 2017) attainment is broadly in line with national expectations

The school met floor standard this year 2017 as progress from KS1 to KS2 was higher than that prescribed by the Department for Education.

Attainment at KS2 rose in 2017 and the school either met or exceeded national expectations for every subject. The combined score for Reading, Writing and Maths was significantly higher than national with 80% reaching the expected standard.

Quality of teaching, learning and assessment: Good

The quality of teaching over time was judged to be good at the end of the academic year.

Teachers use assessment to inform planning and next steps. Planning includes opportunities for cognitive challenge.

Teachers use AfL to reshape lessons and maximise progress.

Teacher on a page ensures that all aspects of a teacher's work are monitored and improved upon

Interventions have boosted performance for pupils at risk of not getting ARE.

The school is engaging in INSET to further improve pupils' engagement and lead to the accelerated progress of pupils through a set repertoire of teaching methods that teachers engage regularly with.

Feedback from teachers verbally and through marking enables some pupils to improve the quality of their work.

Personal development, behaviour and welfare: Outstanding

Vast majority of parent views show that they feel behaviour at the school is at least good.

Pupils' voice is heard through the School Council and prefect systems

Attendance was the only area preventing us from gaining Outstanding at last inspection. Management of attendance is now more rigorous and was 97% at the end of September.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Pupils are proud of their achievements.

Pupils' behaviour is excellent, there is a culture of respect between all stakeholders.
Lesson disruption due to low-level behaviour is rare.

Pupils feel safe, bullying is extremely rare.

The inclusion team is highly effective in promoting all aspects of pupils' welfare.

Effectiveness of leadership and management: Good

Headteacher and the SLT work well as a team sharing a vision for the future of the school.

Self-evaluation enables priorities to be identified and actions planned to raise quality of teaching, learning, assessment and outcomes for pupils.

New SLT in place from September 2016 and they have a more robust approach to improving teaching and learning.

In 2016-17 every teacher received coaching from Lilac Sky for half a term [10 visits.]

Governors held the school to account with targeted monitoring visits.

Staff are actively involved in driving forward their own teaching and learning.

Inclusion team has been expanded and is highly effective.

Use of MyConcern is excellent as a safeguarding tool.

School has responded quickly to recent influx of EAL needs.

Effectiveness of the Early Years provision: the quality and standards: Good.

Reception progress - the proportion of children achieving GLD was 71% by the summer term.

Early Years lead teacher is going on maternity leave in November 2017 but a new lead teacher is in place and learning side by side.

GLD has increased by 20% over last four years and is now in line with national

Parental engagement has improved with introduction of Tapestry system for recording progress. This is shared online with parents who can contribute to their child's record.

Early intervention, child initiated learning and individualised provision that is responsive to the needs of each child.

Personal development, behaviour and welfare are good. Children's good behaviour and independence within the environment show that they feel safe.

Provision across all areas of learning is well planned and based on regular, accurate assessments of children's achievements so every child undertakes challenging activities.

Overall effectiveness: the quality of education provided in the school: Good

Ofsted judged the school to be good overall and good in all five categories

The school's aspirational school improvement plan will ensure good progress continues to be made focusing on

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

the following priorities:

- 1) To continually improve and reflect on the quality of effective teaching (target 100% graded good and 50% outstanding) across the school through a focus on:
 - High levels of pupil engagement in learning
 - High levels of teacher enjoyment
 - High levels of cognitive challenge driven by use of questioning eg Blooms
 - Effective use of new assessment systems to analyse areas of strength and weakness and use these to drive future learning
 - Well differentiated pupil tasks that enable all pupils to demonstrate independence and make rapid progress in their learning.
 - Improved outcomes for HA children that at least match national average
 - Disadvantaged pupils to make accelerated progress and close gaps to non-disadvantaged
 - To improve the progress and attainment rates of SEN pupils and those in receipt of pupil premium to match that of all other groups through individualised programmes and early identification through interim assessment.
 - Writing in KS1 to exceed national outcomes
- 2) To promote reading for pleasure – all staff to be accountable for promoting a love of reading.
- 3) To raise attendance to 96%.
- 4) Development of roles of middle leaders to set consistent high expectations of all stakeholders and develop understanding of accountability.
- 5) Ensure new Governing Body is effective by monitoring closely the progress leaders make towards delivering targets for improvement.

Financial KPI's

The trustees have considered the following financial key performance indicators when considering the year end accounts and other financial information, received during the year.

Staff costs as a percentage of GAG income – 96.9% (2016 : 90.2%)
Staff costs as a percentage of charitable income –74.7% (2016 : 71.1%)
Teaching and teaching assistants costs as a percentage of GAG - 76.2% (2016 : 73.8%)
Support staff costs as a percentage of GAG – 20.7% (2016 : 16.4%)
Pupil premium £375,695 (2016 : £342,100)
As a percentage of charitable income – 8.9% (2016 : 8.8%)

The trustees consider these results to be in line with expectations and plans.

b. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

would impact on funding streams for the Trust, making a deficit budget a possibility and affecting long term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken

b. RESERVES POLICY

The Board of the Academy Trust regularly monitors the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums. At 31st August 2017, the Academy had free reserves of £501,146.

The Board of the Academy Trust maintains a prudent level of reserves in line with their policy to spend funding received on the pupils in the Trust at that time, except where a specific project required funding to be built up over several years.

Benyon Primary School: It is the Board's intention to utilise reserves for each school in line with their School Development Plan. We plan to use the reserves at Benyon Primary for a number of premises maintenance projects - corridor refurbishment, including lighting and school display spaces. The school also plans to refurbish the school Library and purchase intervention resources.

Quarry Hill Academy: The Board plans to develop the reception and office areas on the Bradleigh Avenue site to create a larger atrium for parents and visitors, whilst extending the staffroom and office areas. There are also plans to refurbish the playground areas in Bradleigh and Dell, replacing all existing worn playground markings and worn playground fencing particularly on the Dell Road Site.

Somers Heath Primary School: The school has recently taken occupation of an adjacent building, Knightsmead which has been refurbished by the LA, due to an increase in demand for pupil places. There are plans to refurbish 3 playground areas and complete internal and external signage around the school.

The Trust schools are making applications for CIF bids and an appropriate amount will also be contributed to those projects if successful.

Plans for future periods

a. FUTURE DEVELOPMENTS

To improve the quality and consistency of effective teaching (at least 90% graded good and 25% outstanding) across the trust through a focus on:

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well differentiated pupil tasks that enable all pupils to demonstrate independence and rapid progress in their learning.

To raise standards across the Trust through the use of effective assessment and monitoring systems with a focus on the performance of all groups of learners.

Review and refine the curriculum to ensure that it promotes high expectations and engaging, memorable experiences for every child.

Raise achievement levels in Maths across the trust, through enhancing provision within, across and beyond the taught curriculum.

To improve the progress and attainment rates of SEN pupils and those in receipt of pupil premium through programmes and early identification through assessment.

Development of roles of middle leaders through rigorous performance management to set consistent high expectations of all stakeholders and develop understanding of accountability.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Through effective working partnerships across the trust increase the impact and effectiveness of all assessment tracking systems for year groups / subject data and intervening as required.

Future Developments

- To expand the Trust to five schools to build capacity and centralise functions
- Continue to implement the Peer Teaching Enhancement programme to share good practice across the schools and improve quality of teaching in both schools
- To assist in matching continuing professional development to individual staff need through 1 to 1 coaching, mentoring, training and support
- Continue to develop the cross school year group interim assessment data to be analysed and moderated each half term during Catalyst Professional Learning Days then used to plan appropriate provision and intervention
- Support the development of JPD sessions in all Catalyst Academies Trust schools, forming action research groups who will research effective high impact strategies.
- Review the leadership capability each half term, identify targets and plan appropriate support.
- Develop Governors' capability in holding leaders to account in both schools when conducting audit visits each term that impact on the quality of provision
- Provide the support, resources and training that both schools need to maintain at least a good judgement in their next Ofsted inspection.

a. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Board of Trustees abides by the requirements of all national and local agreements with particular reference to:

- School Teachers' Pay and Conditions Document, including due regard to relevant guidance documents and accompanying circulars
- Conditions of Employment for School Teachers in England and Wales
- Thurrock Council Conditions of Service

Employees on the leadership spine play a critical role in the life of the school. Their roles lead in enhancing standards of teaching and learning throughout the school. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They have the confidence and ability to make management and organisational decisions.

The Board of Trustees confirms the membership of the school's Leadership team and salary levels are determined by the Pay Committee, taking into account the respective levels of responsibilities, recruitment and retention issues, internal differentials through the school and affordability.

A successful performance management appraisal for teaching staff, as prescribed by the appraisal regulations, involves a performance appraisal management process of:-

- Assessment against the relevant standards
- Performance objectives
- Classroom observation (where relevant)
- Other evidence

The Board of Trustees ensures that suitable arrangements are in place to assess the total contributions of all support and use the assessment to determine annual pay decisions.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

DISCLOSURE OF INFORMATION TO AUDITORS

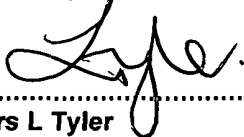
Insofar as the Trustees are aware:

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

AUDITORS

The auditors, MWS, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



.....
Mrs L Tyler
Chair of Trustees

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Catalyst Academies Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the T Parfett, 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 Catalyst Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr K Williams	3	3
Mr T Parfett, Accounting Officer	3	3
Mrs L Tyler, Chair	3	3
Mr T Drakes	3	3
Mrs K Regan	2	2
Mr D Walters, Vice Chair	3	3
Mrs S Coote	1	1

REVIEW OF VALUE FOR MONEY

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

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

Over the last financial period, Catalyst Academies Trust has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to be maintained.

The Trust has focussed on targeted improvement linked to the School Development Plan of Benyon Primary School and Quarry Hill Academy to ensure maximum impact on outcomes for pupils in these key areas. This has included ensuring that each Academy is delivering the new curriculum. On 1st June 2017, Somers Heath Primary School joined the Trust.

The Trust has focussed on improving the quality of writing across each Academy by ensuring teachers set challenging targets for pupils in English, by ensuring teachers provide feedback to pupils that helps move their learning forward and by involving parents and children more in their education through participation in curriculum workshops. The Trust has continued to keep the staffing structure at both academies under review. This has led to a rationalisation of senior leadership roles with some amalgamation of roles to effect greater efficiency.

The Trust has begun to move towards working collaboratively with the partner schools to look at economies of scale when making purchases. Already, significant savings have been made in the areas of insurance, legal support and HR services.

Financial procedures have been tightened so that there is greater accountability and clarity of role. The range of activities available to parents outside normal school hours continues to develop at all academies and they benefit significantly from the income generated by activities such as a Sports & Arts Club where all academies offer a

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GOVERNANCE STATEMENT (continued)

range of after school activities. The Trust has successfully implemented free school meals for all Key Stage 1 children and the kitchens now provides approximately 600 nutritional meals a day with the income from this supporting the overall work. Each School within the Trust has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils. Similarly, funding for catch up groups and booster groups for pupils is calculated in the same way.

The Trust has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks for each school within the Trust. The Local Governing Body and the Board of Directors receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored and an interest bearing account is used for short term investment. The Trust purchases a commercial combined insurance package and also a staff absence insurance to ensure it has adequate cover to manage risks.

Benyon Primary School was successful in bidding for funds for emergency drainage works. This work was completed in summer 2017. Quarry Hill Academy was successful in bidding for funds to replace windows and doors and to remove and replace the Cabin on Dell site which is still ongoing works at the school. We will be submitting new CIF bid applications for Benyon Primary School, Quarry Hill Academy and Somers Heath Primary School in the next CIF round in Autumn 2017.

Regular maintenance and refurbishment to the fabric of the buildings is ensuring that an attractive and stimulating environment is provided for all pupils. Governance provided strong challenge over such purchases and all contracts and services for the Trust are always appraised and approved to ensure value for money. Over some projects the Trust has chosen an option that was not the cheapest but was the most cost effective over time. The Trust has a policy of regularly applying for grants to improve the fabric of all its buildings and this will continue next year for both schools.

There is a constant desire within Catalyst Academies Trust to improve through better systems that lead to better outcomes for pupils. Value for money is a key part of ensuring we are able to do this.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Catalyst Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Local Governing Bodies of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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GOVERNANCE STATEMENT (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Essex ICE Service, a , as Responsible Officer (RO).

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

On a quarterly basis, the RO reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

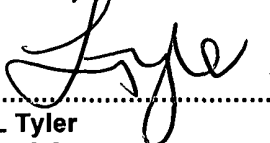
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on their behalf, by:


.....
Mrs L Tyler
Chair of Trustees


.....
Mr T Parfett
Accounting Officer

CATALYST ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Catalyst Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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


.....

Mr T Parfett
Accounting Officer

Date: 7 December 2017

CATALYST ACADEMIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Catalyst Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

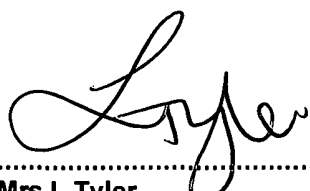
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:



.....
Mrs L Tyler
Chair of Trustees

CATALYST ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST**

QUALIFIED OPINION

We have audited the financial statements of Catalyst Academies Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

Except for the possible effects of the matters described in the Basis for Qualified opinion paragraph the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST**

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

With respect to Local Authority gifted assets, having a carrying amount of £1,284,392, we were unable to obtain sufficient appropriate audit evidence to substantiate that valuation because the Local Authority have not provided a valuation. Consequently we were unable to determine whether any adjustments to the valuations were necessary.

During the year Somers Heath Primary School joined the trust. The inherited fixed assets have been brought in at a valuation of £5,352,456 in accordance with note 25 to these financial statements. We were unable to obtain sufficient appropriate audit evidence to substantiate that valuation because the Education and skills Funding Agency have not provided a valuation. Consequently we were unable to determine whether any adjustments to the valuations were necessary.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

In respect solely of the limitation of our work to enable us to substantiate the value of fixed assets inherited on conversion and the value of goods donated from the local authority, described above, we have not obtained all the information

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

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST**

- 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' remunerations specified by law not made

RESPONSIBILITIES OF TRUSTEES

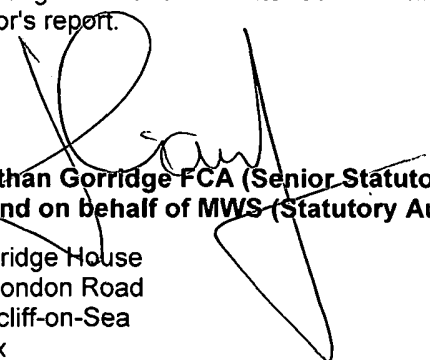
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Jonathan Gorridge FCA (Senior Statutory Auditor)
For and on behalf of MWS (Statutory Auditor)

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
7 December 2017

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CATALYST ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23/05/2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Catalyst Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CATALYST ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Catalyst Academies Trust's funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

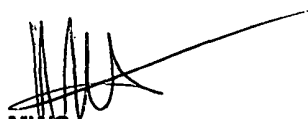
We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CATALYST
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MWS
Reporting Accountant

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

7 December 2017

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	(438,678)	5,402,571	330,151	5,294,044	391,067
Charitable activities	5	4,025,217	-	-	4,025,217	3,728,619
Other trading activities	3	-	-	118,837	118,837	78,552
Investments	4	-	-	216	216	153
TOTAL INCOME		3,586,539	5,402,571	449,204	9,438,314	4,198,391
EXPENDITURE ON:						
Charitable activities		4,157,735	621,646	57,800	4,837,181	4,410,808
TOTAL EXPENDITURE	8	4,157,735	621,646	57,800	4,837,181	4,410,808
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	21	(571,196) 30,460	4,780,925 19,540	391,404 (50,000)	4,601,133 -	(212,417) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(540,736)	4,800,465	341,404	4,601,133	(212,417)
Actuarial gains/(losses) on defined benefit pension schemes	27	696,000	-	-	696,000	(1,137,000)
NET MOVEMENT IN FUNDS		155,264	4,800,465	341,404	5,297,133	(1,349,417)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(1,842,062)	6,880,690	159,743	5,198,371	6,547,788
TOTAL FUNDS CARRIED FORWARD		(1,686,798)	11,681,155	501,147	10,495,504	5,198,371

CATALYST ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08407989

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	17		11,675,812		6,887,182
CURRENT ASSETS					
Debtors	18	272,224		81,888	
Cash at bank and in hand		1,776,304		838,049	
		<u>2,048,528</u>		<u>919,937</u>	
CREDITORS: amounts falling due within one year	19	(922,652)		(230,564)	
NET CURRENT ASSETS			1,125,876		689,373
TOTAL ASSETS LESS CURRENT LIABILITIES			12,801,688		7,576,555
CREDITORS: amounts falling due after more than one year	20		(29,184)		(29,184)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			12,772,504		7,547,371
Defined benefit pension scheme liability	27	(2,277,000)		(2,349,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>10,495,504</u>		<u>5,198,371</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	590,202		506,938	
Restricted fixed asset funds	21	11,681,155		6,880,690	
Restricted income funds excluding pension liability		12,271,357		7,387,628	
Pension reserve		(2,277,000)		(2,349,000)	
Total restricted income funds			9,994,357		5,038,628
Unrestricted funds	21		501,147		159,743
TOTAL FUNDS			<u>10,495,504</u>		<u>5,198,371</u>

The financial statements on pages 30 to 54 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

.....
Mrs L Tyler
Chair of Trustees

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	23	<u>6,298,632</u>	<u>31,854</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		(216)	(153)
Purchase of tangible fixed assets		(57,820)	(590,213)
Capital grants from DfE/ESFA		50,115	339,126
Gifted asset		<u>(5,352,456)</u>	<u>-</u>
Net cash used in investing activities		<u>(5,360,377)</u>	<u>(251,240)</u>
Change in cash and cash equivalents in the year		938,255	(219,386)
Cash and cash equivalents brought forward		<u>838,049</u>	<u>1,057,435</u>
Cash and cash equivalents carried forward	24	<u><u>1,776,304</u></u>	<u><u>838,049</u></u>

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Catalyst Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	Straight line over 50 years
Furniture and equipment	-	Straight line over 4 years
Computer equipment	-	Straight line over 3 years

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Taxation

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

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Somers Heath Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Catalyst Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

1.15 Concessionary loans

As allowed per the Statement of Recommended Practice 2015 (FRS 102), it is the policy of the Academy to measure the loans at the amount received, with the carrying amount adjusted for any repayments and accrued interest (and adjusted if necessary to the settlement account if the loan or part of the loan is waived).

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other voluntary income	2,322	-	52,675	54,997	51,941
Inherited on conversion	(441,000)	5,352,456	277,476	5,188,932	-
Capital grants	-	50,115	-	50,115	339,126
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LA Capital grants	(438,678)	5,402,571	330,151	5,294,044	391,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	<hr/> 7,500 <hr/>	<hr/> 339,126 <hr/>	<hr/> 44,440 <hr/>	<hr/> 391,066 <hr/>	

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

3. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	-	1,019	1,019	706
Catering income	-	51,247	51,247	51,401
Services provided	-	48,344	48,344	-
Other income	-	18,227	18,227	26,445
	<u>-</u>	<u>118,837</u>	<u>118,837</u>	<u>78,552</u>
<i>Total 2016</i>	<u>-</u>	<u>78,552</u>	<u>78,552</u>	

4. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	-	216	216	153
	<u>-</u>	<u>216</u>	<u>216</u>	<u>153</u>
<i>Total 2016</i>	<u>-</u>	<u>153</u>	<u>153</u>	

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	3,237,860	-	3,237,860	3,041,319
Other DfE/EFA grants	516,509	-	516,509	454,905
Local authority grants	270,848	-	270,848	232,395
	<u>4,025,217</u>	<u>-</u>	<u>4,025,217</u>	<u>3,728,619</u>
<i>Total 2016</i>	<u>3,728,619</u>	<u>-</u>	<u>3,728,619</u>	

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

6. DIRECT COSTS

	Educational Operations £	Total 2017 £	Total 2016 £
Educational supplies	133,162	133,162	125,260
Staff development	8,428	8,428	8,739
Educational consultancy	76,306	76,306	108,466
Central Services	213,545	213,545	124,791
Wages and salaries	2,059,295	2,059,295	1,914,771
National insurance	176,509	176,509	136,518
Pension cost	231,747	231,747	194,939
	<u>2,898,992</u>	<u>2,898,992</u>	<u>2,613,484</u>
<i>At 31 August 2016</i>	<u>2,613,484</u>	<u>2,613,484</u>	

7. SUPPORT COSTS

	Educational Operations £	Total 2017 £	Total 2016 £
Net pension finance charge	52,000	52,000	43,000
Technology costs	445	445	-
Recruitment and support	1,828	1,828	7,624
Maintenance of premises and equipment	72,744	72,744	106,836
Cleaning	38,013	38,013	30,986
Rent & rates	32,820	32,820	25,575
Energy costs	28,558	28,558	28,706
Insurance	55,363	55,363	80,533
Security and transport	10,432	10,432	18,927
Catering	161,920	161,920	141,389
Bank interest and charges	1,024	1,024	459
Indirect staff costs	1,710	1,710	1,889
Legal and professional fees	108,970	108,970	86,030
Other support costs	78,633	78,633	49,123
Wages and salaries	381,420	381,420	355,962
National insurance	25,469	25,469	20,197
Pension cost	265,194	265,194	122,757
Depreciation	621,646	621,646	677,331
	<u>1,938,189</u>	<u>1,938,189</u>	<u>1,797,324</u>
<i>At 31 August 2016</i>	<u>1,797,324</u>	<u>1,797,324</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£16,500(2016 £13,780) included within the table above in respect of Educational Operations.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	2,467,551	-	431,441	2,898,992	2,613,484
Support costs	672,083	849,144	416,962	1,938,189	1,797,323
	<u>3,139,634</u>	<u>849,144</u>	<u>848,403</u>	<u>4,837,181</u>	<u>4,410,807</u>
<i>Total 2016</i>	<u>2,745,145</u>	<u>949,968</u>	<u>715,694</u>	<u>4,410,807</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	2,898,992	1,938,189	4,837,181	4,410,807
	<u>2,898,992</u>	<u>1,938,189</u>	<u>4,837,181</u>	<u>4,410,807</u>
<i>Total 2016</i>	<u>2,613,484</u>	<u>1,797,323</u>	<u>4,410,807</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	621,646	677,332
Auditors' remuneration - audit	16,500	13,780
Operating lease rentals	6,481	7,267
	<u>644,627</u>	<u>708,379</u>

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FOR THE YEAR ENDED 31 AUGUST 2017**

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,305,258	2,147,827
Social security costs	201,979	156,715
Operating costs of defined benefit pension schemes	496,941	317,697
	<u>3,004,178</u>	<u>2,622,239</u>
Supply teacher costs	135,456	118,506
Staff restructuring costs	-	4,400
	<u><u>3,139,634</u></u>	<u><u>2,745,145</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	-	4,400
	<u>-</u>	<u>4,400</u>

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

	2017 No.	2016 No.
Management	12	8
Teachers	42	27
Administration and support	122	92
	<u>176</u>	<u>127</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for these staff members amounted to £14,960 (2016 £22,849).

The total remuneration for the key management personnel, who are the headteachers of the schools in the trust, totalled £181,305 (2016 £161,503) of which £163,673 (2016 £138,652) related to pay and £17,632 (£22,849) to pension payments.

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

12. CENTRAL SERVICES

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

- Staffing
- Statutory audit fees
- Trustee insurance and premises valuations
- Professional fees
- General running costs

The academy charges for these services on the following basis:

Costs are paid out of central retained funds. Retention rate is 2.5%- 5% of non-earmarked funding.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Staffing	186,760	124,791
Statutory audit fees	1,000	1,000
Trustee insurance and premises valuations	697	675
Professional fees	23,539	1,500
General running costs	1,579	-
	<u>213,575</u>	<u>127,966</u>
Total		

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Mr T Parfett	Remuneration	95,000-100,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs S Coote	Remuneration	45,000-50,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

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

15. OTHER FINANCE INCOME

	2017 £	2016 £
Interest on pension scheme liabilities	<u>(52,000)</u>	<u>(43,000)</u>

16. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following;

£19,540 has been transferred from restricted funds to the restricted fixed asset funds for assets purchased from GAG, relating to all schools in the trust.

£50,000 has been transferred from Benyon's unrestricted funds to the restricted fund

17. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016	6,820,944	1,742,726	300,231	8,863,901
Additions	4,640,561	700,901	68,814	5,410,276
At 31 August 2017	<u>11,461,505</u>	<u>2,443,627</u>	<u>369,045</u>	<u>14,274,177</u>
Depreciation				
At 1 September 2016	381,570	1,365,812	229,337	1,976,719
Charge for the year	195,408	380,789	45,449	621,646
At 31 August 2017	<u>576,978</u>	<u>1,746,601</u>	<u>274,786</u>	<u>2,598,365</u>
Net book value				
At 31 August 2017	<u>10,884,527</u>	<u>697,026</u>	<u>94,259</u>	<u>11,675,812</u>
At 31 August 2016	<u>6,439,374</u>	<u>376,914</u>	<u>70,894</u>	<u>6,887,182</u>

18. DEBTORS

	2017 £	2016 £
VAT repayable	30,897	22,177
Prepayments and accrued income	241,327	59,711
	<u>272,224</u>	<u>81,888</u>

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19. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Salix loan	7,296	7,296
Trade creditors	64,330	39,278
Other taxation and social security	62,888	49,861
Wages and Salaries	64,908	35,776
Other creditors	9	-
Accruals and deferred income	723,221	98,353
	<u>922,652</u>	<u>230,564</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	54,606	143,977
Resources deferred during the year	640,310	54,606
Amounts released from previous years	(54,606)	(143,977)
Deferred income at 31 August 2017	<u>640,310</u>	<u>54,606</u>

At the balance sheet date the Academy Trust was holding monies received in advance for:

Grants received in advance of entitlement £638,160
Trip income £1,550
Donations £600

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

	2017 £	2016 £
SALIX loan	29,184	29,184
	<u>29,184</u>	<u>29,184</u>

The above relates to a Salix loan provided by the Department of Education at 0% interest.

The total carrying amount at the year end was £36,480. The total loan was for £36,480 and will be paid off £3,648 twice yearly for 10 years.

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

21. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	159,743	449,204	(57,800)	(50,000)	-	501,147
Restricted funds						
General Annual Grant (GAG)	447,598	3,237,861	(3,297,780)	30,460	-	418,139
Other DfE/EFA grants	59,340	516,508	(419,178)	-	-	156,670
Local Authority grants	-	270,848	(255,455)	-	-	15,393
Teach Thurrock	-	2,322	(2,322)	-	-	-
Pension reserve	(2,349,000)	(441,000)	(183,000)	-	696,000	(2,277,000)
	<u>(1,842,062)</u>	<u>3,586,539</u>	<u>(4,157,735)</u>	<u>30,460</u>	<u>696,000</u>	<u>(1,686,798)</u>
Restricted fixed asset funds						
Capital grants	43,575	50,115	(93,690)	-	-	-
Purchased fixed assets	1,455,708	-	(30,495)	19,540	-	1,444,753
Inherited assets	4,148,390	5,352,456	(471,773)	-	-	9,029,073
Local Authority gifted asset	1,233,017	-	(25,688)	-	-	1,207,329
	<u>6,880,690</u>	<u>5,402,571</u>	<u>(621,646)</u>	<u>19,540</u>	<u>-</u>	<u>11,681,155</u>
Total restricted funds	<u>5,038,628</u>	<u>8,989,110</u>	<u>(4,779,381)</u>	<u>50,000</u>	<u>696,000</u>	<u>9,994,357</u>
Total of funds	<u>5,198,371</u>	<u>9,438,314</u>	<u>(4,837,181)</u>	<u>-</u>	<u>696,000</u>	<u>10,495,504</u>

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

Restricted general funds

These funds relate to the Academy's development and operational activities.

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy Trust.

Restricted fixed asset fund

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

Restriction on surplus GAG

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Quarry Hill Academy	518,929	454,697
Benyon Primary School	92,377	89,139
Somers Heath Primary School	360,852	-
Central funds	119,191	122,845
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,091,349	666,681
Restricted fixed asset fund	11,681,155	6,880,690
Pension reserve	(2,277,000)	(2,349,000)
	<hr/>	<hr/>
Total	<u>10,495,504</u>	<u>5,198,371</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	<i>Total 2016 £</i>
Benyon Primary School	690,218	205,029	43,739	230,146	1,169,132	1,174,873
Quarry Hill Academy	1,530,247	393,610	73,977	433,487	2,431,321	2,371,642
Somers Heath Primary School	247,087	73,444	15,444	65,532	401,507	-
Central charges	-	-	-	213,575	213,575	127,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,467,552</u>	<u>672,083</u>	<u>133,160</u>	<u>942,740</u>	<u>4,215,535</u>	<u>3,674,481</u>

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	11,675,813	-	11,675,813
Current assets	1,007,459	537,772	503,297	2,048,528
Creditors due within one year	(417,257)	(503,246)	(2,150)	(922,653)
Creditors due in more than one year	-	(29,184)	-	(29,184)
Provisions for liabilities and charges	(2,277,000)	-	-	(2,277,000)
	<u>(1,686,798)</u>	<u>11,681,155</u>	<u>501,147</u>	<u>10,495,504</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	4,601,133	(212,417)
Adjustment for:		
Depreciation charges	621,646	677,331
Dividends, interest and rents from investments	216	153
(Increase)/decrease in debtors	(190,336)	45,154
Increase/(decrease) in creditors	692,088	(199,241)
Capital grants from DfE and other capital income	(50,115)	(339,126)
Defined benefit pension scheme obligation inherited	441,000	-
Defined benefit pension scheme cost less contributions payable	131,000	17,000
Defined benefit pension scheme finance cost	52,000	43,000
Net cash provided by operating activities	<u>6,298,632</u>	<u>31,854</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,776,304	838,049
Total	<u>1,776,304</u>	<u>838,049</u>

25. CONVERSION TO AN ACADEMY TRUST

On 01 June 2017 Somers Heath Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Catalyst Academies Trust from Thurrock Council Local Authority for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities incorporating income and expenditure account as voluntary income.

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**NOTES TO THE FINANCIAL STATEMENTS
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The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Restricted funds £	Restricted fixed asset funds £	Unrestricte d funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	4,609,528	-	4,609,528
- Other tangible fixed assets	-	742,928	-	742,928
Budget surplus/(deficit) on LA funds	-	-	277,476	277,476
LGPS pension surplus/(deficit)	(441,000)	-	-	(441,000)
Net assets/(liabilities)	<u>(441,000)</u>	<u>5,352,456</u>	<u>277,476</u>	<u>5,188,932</u>

The above net assets include £277,476 that were transferred as cash.

26. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>365,220</u>	<u>-</u>

27. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014

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NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

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

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

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

The employer's pension costs paid to TPS in the period amounted to £212,828 (2016 - £178,798).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £181,000 (2016 - £161,000), of which employer's contributions totalled £140,000 (2016 - £123,000) and employees' contributions totalled £41,000 (2016 - £38,000). The agreed contribution rates for future years are % for employers and 5.5%-12.5%% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
RPI increases	3.60 %	3.20 %
Inflation assumption (CPI)	2.70 %	2.30 %

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27. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,661,000	3,217,000
Discount rate -0.1%	3,839,000	3,379,000
Mortality assumption - 1 year increase	3,872,000	3,382,000
Mortality assumption - 1 year decrease	3,628,000	3,214,000
Adjustment to long term salary increase +0.1%	3,761,000	3,341,000
Adjustment to long term salary increase -0.1%	3,735,000	3,253,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	961,000	651,000
Gilts	91,000	34,000
Other bonds	57,000	42,000
Property	142,000	105,000
Cash and other liquid assets	46,000	29,000
Alternative assets & other managed funds	174,000	87,000
Total market value of assets	1,471,000	948,000

The actual return on scheme assets was £152,000 (2016 - £114,000).

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

	2017 £	2016 £
Current service cost	(271,000)	(140,000)
Interest cost	(52,000)	(43,000)
Total	(323,000)	(183,000)
Actual return on scheme assets	152,000	114,000

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27. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	3,297,000	1,844,000
Upon conversion	709,000	-
Current service cost	271,000	140,000
Interest cost	77,000	74,000
Employee contributions	41,000	38,000
Actuarial (gains)/losses	(636,000)	1,220,000
Benefits paid	(11,000)	(19,000)
	<u>3,748,000</u>	<u>3,297,000</u>
Closing defined benefit obligation	<u>3,748,000</u>	<u>3,297,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	948,000	692,000
Upon conversion	268,000	-
Interest income	25,000	31,000
Actuarial losses	60,000	83,000
Employer contributions	140,000	123,000
Employee contributions	41,000	38,000
Benefits paid	(11,000)	(19,000)
	<u>1,471,000</u>	<u>948,000</u>
Closing fair value of scheme assets	<u>1,471,000</u>	<u>948,000</u>

28. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	6,039	6,481
Between 1 and 5 years	393	6,039
	<u>6,432</u>	<u>12,520</u>
Total	<u>6,432</u>	<u>12,520</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. RELATED PARTY TRANSACTIONS

The below table outlines related party transactions with Dilkes Academy which has common Trustees with Catalyst Academies Trust:

	2017 £	2016 £
Educational consultancy	-	-
Teaching wages and salaries	46,367	3,487
Staff development	-	(303)
Donations	(2,423)	(14,851)
Central services - salaries	186,760	128,510
Central services-support income	(47,469)	-
Teaching school exp	1,755	-
	<u> </u>	<u> </u>

At 31 August 2017 the following amounts were outstanding with Dilkes Academy; Debtors Nil
(2016: Debtors £110).

In entering into the above transactions the trust has complied with the requirements of EFA's Academies Financial Handbook.

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**NOTES TO THE FINANCIAL STATEMENTS
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30. CONNECTED CHARITIES

Dilkes Academy is a connected charity to Catalyst Academies Trust due to common Trustees in both entities. As both entities are Academy Trusts the charitable objects of both the Catalyst Academies Trust and Dilkes Academy are the same. The following figures relate to the years ending 31st August;

Dilkes Academy financial information

	2017 £	2016 £
SOFA		
Total incoming resources	2,915,430	3,976,654
Total resources expended	(3,074,789)	(3,668,563)
Net income/(expenditure) for the year	<u>(159,359)</u>	<u>308,091</u>

	2017 £	2016 £
Balance Sheet		
Assets	5,123,214	4,825,053
Liabilities	(1,946,225)	(1,732,705)
Total funds	<u>3,176,989</u>	<u>3,092,348</u>

31. CONTROLLING PARTY

There is no ultimate controlling party

32. 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.