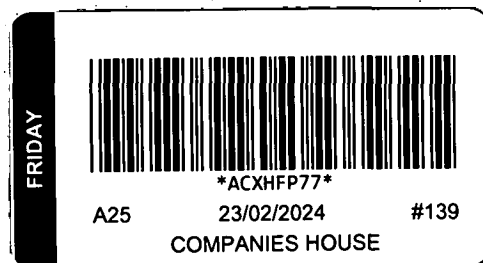


Company Registration Number: 09064485 (England and Wales)

OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

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**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Diocesan Bishop	His Grace Archbishop Bernard Longley
Members	Mr Eric Michael Kirwan Canon Johnathan Veasey Mrs Jacqui Francis Mr Peter Vella Mr Christopher Loughran
Directors	Yvonne Brennan, Chair ^{1,3,4,5} Christopher Bird ^{1,2,3} Noel Anthony Burke ^{2,3,4} Mike Connolly ⁵ Michael Fletcher (resigned 8 March 2023) ¹ Kari Gordon (resigned 21 September 2023) ^{4,5} Bernadette Mary Mackie ^{1,2,3,5} Michael Anthony Christopher Tilt, Vice Chair ^{1,3,4} Victoria Wells ⁵ Antony Tamburro (appointed 11 November 2022 for twelve months as co-opted Director) ⁵ ¹ Finance and Resources ² Risk and Audit ³ Joint Finance, Resources, Risk and Audit (from June 23) ⁴ Remuneration ⁵ Catholic Mission, Performance and Standards
Company registered number	09064485
Company name	Our Lady of the Magnificat Multi Academy Company
Principal and registered office	Trinity Catholic High School, Guys Cliffe Ave Leamington Spa Warwickshire CV32 6NB
Chief executive officer	Mr T Leverage (CSEL)
Senior management team	Mr A Quinn, Director of School Improvement Mr J Pye, Asst Director School Improvement (Appointed 01/09/2023) Mrs J McNally, Asst Director School Improvement/Executive Head Mrs N Damns, Asst Director School Improvement/Executive Head (Appointed 13/02/2023) Mrs S Roberts, School Improvement Lead (Appointed 23/04/2023) Ms L Armfield, Chief Financial Officer Miss H Clemons, Director of Operations Mrs M Andrews, Head of HR (Appointed 02/05/2023) Ms R Perkes, Governance Professional (Appointed 01/09/2022) Mr G O Connor, Headteacher (Resigned 31/08/2023) Mr D Gariff, Acting Headteacher (Appointed 01/09/2023) Mr L Payton, Headteacher Mr L Roberts, Headteacher Mrs B Morris, Headteacher, Asst Director of School Improvement (Resigned 30/04/2023) Mrs C Clubley, Headteacher Mrs M Woods, Headteacher

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Mrs M Gourlay, Headteacher (Resigned 31/08/2023)
Mr M Breslin, Principal (Appointed 01/09/2023)
Mrs C Miller, Executive Headteacher
Ms E Petras, Headteacher
Mrs K Wilkes, Headteacher
Mr M Pettle, Headteacher (Appointed 01/09/2023)
Mrs J Smith, Executive Headteacher
Mrs A M Rooney, Principal (Appointed 01/09/2023)
Mrs H Williams, Headteacher
Mr D McBride, Headteacher (Resigned 31/12/2022)
Mrs A Wilson, Principal (Appointed 01/09/2023)
Mr O Finnegan, Headteacher

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers Lloyds Bank PLC
19 Church Green E
Redditch
B98 8BZ

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Rd
Nottingham
NG2 1BJ

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Board of Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31st August 2023. The annual report serves the purpose of both a Directors' report, and a Directors' report under company law.

The Multi Academy Company (MAC) operates first, primary, middle, and secondary academies for pupils aged 4 to 18 in Warwickshire and Worcestershire. It has a pupil capacity of 6,474 and had a roll of 5,182 in the school census in October 2023.

The charitable company passed a special resolution on 28 May 2021 changing its name from Our Lady of Lourdes Multi-Academy Company to Our Lady of The Magnificat Multi-Academy Company. Holy Family Catholic Multi Academy Company merged into the Company on 1st September 2021. On 1st September 2022 5 additional schools from the Local Authority were transferred into the Multi Academy Company.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi Academy Company was incorporated on 30th May 2014, is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Company. The Directors of Our Lady of Magnificat are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Our Lady of The Magnificat Multi Academy Company.

In a Catholic Multi Academy Company the Trustees are known as Directors. Details of the Directors who served throughout the year ending 31st August 2023, and to the date the accounts are approved are included in the Reference and Administration Details.

Directors' Liability

Each Director 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 Director, or within one year after he/she ceases to be a Director, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Director.

Directors' Indemnities

The Multi Academy Company has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Multi Academy Company business, and provides cover up to £10,000,000. It is not possible to quantify the Directors' and officers' indemnity element from the overall cost of the RPA scheme membership.

Method of recruitment and appointment or election of Directors

The management of the Multi Academy Company is the responsibility of the Directors who are elected and co-opted under the terms of the Multi Academy Company deed. Any persons may be appointed by the Archbishop. The Members may appoint such additional Directors as it thinks fit and may remove any such additional Directors appointed by it. If the Members ceases to exist and is not replaced by a successor institution or becomes insolvent or makes any arrangement or composition with its creditors generally its right to appoint Directors under the Articles shall vest in the Diocesan Archbishop.

Those wishing to become Directors must complete an Academy Foundation Director Application form and submit to the Archdiocese for the approval of the Archbishop. Any new Directors must complete the Deed of Adherence to the Scheme of Delegation and an undertaking to the Archbishop.

The Board of Directors structure: There must always be a least 3 Foundation Directors in post. In addition to the Full Board there were four subcommittees in the 22/23 academic year: Risk and Audit, Finance and Resources, Catholic Mission, Performance and Standards, and Remuneration. Directors were members of these subcommittees providing assurance, setting strategic direction and monitoring both academic and financial performance.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Policies and Procedures adopted for the Induction and Training of Directors

All Directors are provided with several documents to read and familiarise themselves with upon appointment. These documents include the Articles of Association, Funding Agreement, Deed of Adherence, Code of Practice as set by the Archdiocese of Birmingham, Archdiocese Scheme of Delegation, Our Lady of the Magnificat guide to the role and responsibilities of Directors, and the Academy Trust Handbook. Directors are encouraged to undertake additional bespoke training as provided or signposted to them by the Multi Academy Company throughout the academic year. All Directors undertake on appointment, training on Director roles and responsibilities provided by the Diocesan Education Service in the Archdiocese of Birmingham. Additional bespoke induction, training and support is provided as required by the Multi Academy Company's Governance Professional.

Organisational Structure

The Board of Directors are responsible for the overall strategic direction of the Our Lady of The Magnificat Multi Academy Company. The Directors have a duty to act in the fulfilment of the Company's objectives.

The Directors are responsible for setting general policies across the Multi Academy Company, adopting an annual Academy Business Plan and budget, monitoring the Multi Academy Company use of budgets and making strategic decisions about the direction of the Multi Academy Company, capital expenditure and certain staff appointments.

The Board of Directors delegate responsibility for Leadership and Management to the Executive Leadership Team of the Multi Academy and Academy Local Governing Bodies. In turn the management of the individual schools is delegated to the Principal/Head teacher and Senior Leadership Team within the individual schools. The Senior Leadership Team are responsible at an executive level for implementing the policies laid down by Directors and reporting back to them through the various committees. The Catholic Senior Executive Leader (CSEL) is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets. Spending control is devolved to designated budget holders within a hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The executive leadership team of the Our Lady Of The Magnificat Multi Academy Company are appointed and managed in accordance with the relevant professional standards: Teachers standards and ISBL professional standards.

Pay and remuneration are set in accordance with the Our Lady Of The Magnificat pay scale as agreed with the various Trade Unions. All personnel receive annual reviews where objectives are set to drive the Our Lady Of The Magnificat Multi Academy Company Business plan. The Our Lady of The Magnificat Multi Academy Company has a pay policy which states the expectations of personnel in reference to pay increases.

The Board of Directors operates a Remuneration Committee which meets twice a year. The Committee reviews and sets Executive Pay in accordance with the Multi Academy Company pay scale and policy, utilising external providers to benchmark pay for the Executive Team including the CSEL.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	One

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	7
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	932
Provide the total pay bill	20,951,837
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	Less than 1%

**Achievements and Performance
Key Performance Indicators**

MAC Primary Outcomes	2019	National (2019)	2022	National (2022)	2023
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Early Years

% Achieving a good level of development	69	72	72	65	70
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Year 1 Phonics

% Achieving the expected standard in phonics	85	82	81	75	77
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End of Key Stage 1

% Achieving expected standard or higher in reading	78	75	76	67	74
% Achieving greater depth in reading	25	25	23	18	27
% Achieving expected standard or higher in writing	63	69	66	58	66
% Achieving greater depth in writing	15	15	16	8	12
% Achieving expected standard or higher in maths	69	76	76	68	76
% Achieving greater depth in maths	17	22	19	15	23

End of Key Stage 2

% Achieving expected standard or higher in reading	84	73	88	75	79
% Achieving a higher standard in reading	32	27	39	28	26
% Achieving expected standard or higher in writing	85	78	80	69	79
% Achieving a higher standard in writing	16	20	19	13	16
% Achieving expected standard or higher in maths	85	79	86	71	82
% Achieving a higher standard in maths	26	27	23	22	22

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

MAC Secondary Outcomes	2019	National (2019)	2022	National (2022)	2023
Key Stage 4					
Progress 8	0.69	-0.03	0.35	-0.03	
Attainment 8	51.6	46.7	50.8	48.8	47.5
English A8	10.8	9.9	10.9	10.4	10.2
Maths A8	9.9	9.1	9.5	9.4	9.3
Ebacc A8	14.6	13.5	14.9	14.2	13.7
Open A8	16.4	14.2	15.5	14.7	14.3
% Achieving grades 4+ in RE	75.2	71.0	79.5	70.1	70.6
% Achieving grades 4+ in English & maths	73.0	64.6	72.9	68.8	68.2
% Achieving grades 5+ in English & maths	50.9	43.0	55.8	49.8	44.6
Key Stage 5					
APS per A Level Entry	34.9	34.01	36.9	38.9	27.4
Average Grade per A Level Entry	C+	C+	B-	B	C-
APS per Applied General Entry	32.0	28.9	35.6	32.0	33.1
Average Grade per Applied General Entry	Dist-	Merit+	Dist	Dist-	Dist-
Best 3 A Levels Average Points	38.2	34.0	41.0	39.2	29.2

External Examination results

We acknowledge that these were the second externally assessed results for students since the COVID pandemic. The national context for these results is that many of the National Exam Boards reviewed the grade boundaries at both KS4 and KS5 to address perceived 'grade inflation'. Overall, our Primary schools performed extremely well, achieving attainment results which placed the majority significantly above the National Average in all headline figures.

Three Primary schools returned expected progress results below the National Average, two of which joined the Multi Academy Company in September 2022.

At Key Stage 4 two of our Secondary schools achieved progress results significantly above the National Average achieving progress 8 scores of +0.64 & +0.12 respectively. At the time of writing, this places both schools within the top 5 within the Archdiocese of Birmingham and within the top 5% of schools nationally. This is a significant achievement and one that strengthens our ambition to become the highest performing Catholic Multi Academy Company in the country.

During this academic year our schools have been subject to nine external inspections under the Education Act. The outcomes have been one 'Outstanding', seven 'Good' judgements and one 'Inadequate' (no RI judgements have been passed). Trinity Catholic School received an 'Inadequate' judgement in January 2023 with three out of the four areas graded as 'Requires Improvement'. Since then, the Multi Academy Company has received a termination warning notice from the Department for Education for Trinity. We have returned a substantial improvement plan to the Department for Education who have confirmed the school will continue to be monitored and will not be re-brokered to another Multi Academy Trust.

The Ofsted report noted, "The Multi Academy Company (MAC) leaders provide the school with exceptional support. This is helping to improve some of the weaknesses quickly". This is a reflection and external validation of the work completed at a MAC level to strengthen the core vision and values of our schools as Catholic schools within the Archdiocese of Birmingham.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Related Parties and other Connected Charities and Organisations

None of the Directors has been paid remuneration or has received other benefits from employment with the Multi Academy Company.

Transactions were undertaken with the Archdiocese of Birmingham - Diocesan Education Service, who appoint the Foundation Directors of the Board to the value of £266,385.

£28,785 was spent on support services from other schools within the Diocese of Birmingham and Our Lady of the Magnificat Multi Academy Company also sold services to other schools within the Diocese of Birmingham to the value of £13,500. This is analysed below:

Name of related party	Services purchased	Services sold	Nature of services	Balance as at 31.8.23
Birmingham Diocese	65,185	201,200	The annual charge contributes to the costs of those aspects of the DES work in Catholic education that can only be provided by the Diocese. The income was a contribution towards a building project. £200K plus the purchase of staff for CSI inspections.	600
St Marys Catholic Primary School, Southam		12,000	Staff services	4,000
St Patricks Catholic Primary School	120		Shared services	
Bishop Challoner Catholic College	1,170	1,500	Curriculum & student teacher support	
St Joseph's Catholic Primary School	400		Shared sport activities	
St John Wall School	27,615		Staff services/reviews	
Total	94,490	214,700		4,600

All services have been recharged at cost.

J Fletcher, spouse of a Director, is employed by the Multi Academy Company. The appointment was made in open competition and the related Director was not involved in the decision-making process regarding the appointment which involved moving between schools within the Multi Academy Company. The staff member is paid within the normal scale range for their role and receive no special treatment because of their relationship to the Director. This Director resigned during the year.

T Concannon was appointed as the Multi Academy Lead for Modern Foreign languages. She is the spouse of a Headteacher within the Multi Academy Company.

I McNally was appointed as an Assistant Headteacher. He is the spouse of the Assistant Director of School Improvement within the Multi Academy Company.

These were fair recruitment processes, and the staff members are remunerated within a pay scale comparable to colleagues.

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Multi Academy Company's financial regulations and normal procurement procedures relating to connected and related party transactions.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Owing to the nature of the Multi Academy Company and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Directors have an interest. No such related party transactions took place in the financial period.

Engagement with employees (including disabled persons)

No person is discriminated against due to a disability be that at recruitment or whilst during employment by the Our Lady of The Magnificat Multi Academy Company. Reasonable adjustments are made to the workplace to ensure no person is put at a disadvantage and consideration made of their circumstances.

The Occupational Health team provide guidance to the Our Lady Of The Magnificat Multi Academy Company in ensuring all employees' needs are met, and counselling and other services are available to support the continuance of good mental health within the Multi Academy Company. The Executive team has grown during the year to include a Head of HR and a HR Manager. This has enabled the Multi Academy Company to increase its focus on staff well-being at such a difficult time nationally.

The Multi Academy Company also operates an 'Aspiring Leadership' programme to support staff development internally and to encourage communication channels. Regular briefings from the Executive Team take place with staff to inform them of the current position of the Multi Academy Company, its aims, and aspirations, any other material changes, and also future growth plans. This includes the financial position of the Multi Academy Company.

Engagement with suppliers, customers and others in a business relationship with the MAC

As a large employer spanning across two counties, we recognise that our relationships with partners and suppliers is key to our effectiveness and external perceptions. The Multi Academy Company actively seeks to engage in service reviews with all key suppliers where we will review both value for money and the balance between in-house and external service provision. We seek to foster open, professional relationships with all suppliers to ensure an ongoing, efficient review of service provision. An example of this is this is the outsourcing of new photocopying contracts across a large group of our schools.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Multi Academy Company has adequate resources to continue in existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details referencing the adoption of the going concern basis can be found in the statement of accounting policies.

FINANCIAL REVIEW

The Multi Academy Company derives its main income from the DfE via the ESFA in the form of annual grants which are restricted in purpose. These grants can be seen along with the associated expenditure as Restricted Funds in the Statement of Financial Activities.

The Multi Academy Company also receives grants for the purpose of purchasing fixed assets and for dealing with the items classed as priority on its asset management plans. Due to expansion, this year was the first time that school capital funding (SCA) funding was allocated to the Multi Academy Company so that it no longer had to bid for Condition Improvement Fund (CIF) grants. These are shown as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund is reduced by annual depreciation charges over the useful life of the assets concerned.

During the twelve-month period of 1st September to 31st August 2023, the Multi Academy Company received a total income of £35,086,450 and incurred total expenditure of £35,429,600. The deficit for the year, including all funds is £343,150 and the balance of reserves at the year end, including actuarial pension movements was £3,068,805. Five Warwickshire primary schools also joined the Multi Academy Company on September 1st 2022. The income from the reserves transferred in for these schools (including pension) totalled £100,107.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The in year operating surplus excluding fixed assets, actuarial pension adjustments, transfers from new schools and capital transfers was £286,723 and the balance of operating reserves was £3,172,139.

The net book value of fixed assets at 31st August 2023 was £1,972,364 and movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi Academy Company.

Other assets were transferred from the additional primary schools into the Our Lady of The Magnificat Multi-Academy Company on 1st September 2022 to the value of £99,970.

The Multi Academy Company has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred upon conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 27 to the financial statements. This is a material pension liability arising from obligations to a defined benefit pension scheme on the financial position of the Multi Academy Company. This company will continue to contribute towards the deficit reduction plan as agreed with the actuaries for those schools within Worcestershire, as well as making its employer contributions based on the current service of employees. FRS102 statements are received for the schools within the Multi Academy Company on an annual basis. The additional payments payable to Worcestershire County Council were made in May 2023 so that a discount could be received and therefore these are removed as a liability in the FRS102 statements.

Reserves Policy

The Directors review reserves both in amount and nature annually. This review includes the nature of income and expenditure streams and the need to match income with future commitments. The Directors consider all the individual schools within the Multi Academy Company and look at the uncertainty and key risks associated with future income streams as well as costs.

All reserves are held in accordance with the requirements laid down in the Master Funding Agreement and the Academy Trust Handbook. As per the Multi Academy Company's policy the reserves level is determined when the budget is set annually in the summer term. The target set as an appropriate minimum level of reserves is £2,436,500, being five weeks of total staffing costs across the Multi Academy Company. At the end of the year 2% of General Annual Grant funding (GAG) remains within the school with the balance being transferred into a central fund.

The level has been set to protect against key financial risks and being prudent has never been more important when there are many external economic challenges facing both the economy and education which have been building significantly during the academic year.

As this target was achieved within the year and as the Multi Academy Company has grown significantly in the last three years the Board of Directors voted to introduce a new system of reserves from September 2023. Comparable to GAG pooling, the Catholic Collaborative Funding Model will result in a large proportion of costs being managed by the central team to ensure financial savings, the use of strong and ethical suppliers whom are often nationally recognised, good financial controls and the fairer distribution of funds within the Multi Academy Company.

The School Improvement Team has expanded over the last year and works at maintaining standards and expectations linked to the Multi Academy Company strategic plan. In addition, it provides external support to other organisations and schools through the Department of Education TSI programmes and Behaviour Hubs.

At the end of the year before the GAG adjustment there were schools in a deficit position. The Multi Academy Company has set a target to achieve a reasonable surplus in each school to increase reserves to an acceptable level. Each school has previously been considered individually for budgeting purposes.

At the end of the year before the GAG adjustment there were two schools in a deficit position-

St Mary's Catholic Primary School in Broadway and Our Lady's Catholic Primary School in Alcester.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Both are small half form entry schools with low numbers on roll. St Mary's in Broadway now works very closely with St Mary's Evesham sharing staff, best practice and an Executive Headteacher. The Multi Academy Company has invested in two new purpose-built classrooms which should help to attract and increase pupil numbers. This investment was supported with funding from Section 106 income from Worcestershire County Council and the Diocese of Birmingham Education service. This is part of the plan to make the school financially viable.

Our Lady's Catholic Primary school is also in deficit and has struggled with pupil numbers since its Ofsted judgement of Requires Improvement in February 2020. The Local Governing Body was replaced by a School Improvement Board and a new Headteacher has been appointed from 1st September 2023 as the Multi Academy Company supports it moving forwards.

In future years individual school budgets are set at net zero as surpluses and deficits are offset within the central fund as the company introduces its new funding model. This enables the Multi Academy Company to offer the best possible educational outcomes whilst ensuring that we offer a diverse range of experiences to ensure that our young people have qualities and traits that support them as balanced and fulfilled members of society.

The value of free reserves held amounts to £3,141,239 of which £348,667 is attributed to Restricted General funds.

The defined benefit pension scheme reserve continues to have a negative balance. The effect of the deficit position of the pension scheme is that the Multi Academy Company is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Multi Academy Company's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Multi Academy Company.

Investment Policy

The Multi Academy has a Reserves policy which states that reserve funds will be held within Lloyd's Bank PLC or in other instruments and investments as agreed from time to time by the Board of Directors.

A new investment policy was agreed by the Board of Directors within the academic year ending 31st August 2023 which has resulted in funds being placed in deposit accounts within Lloyds Bank PLC. Due to national economic events and increased interest rates £6,858 was generated as income within the year. The finance team will continue to analyse cashflow to ensure maximum income can be gained from investments without impacting on the nature and purpose of the organisation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Multi Academy Company has considerable reliance on continued government funding through the ESFA. The Multi Academy Company's revenue is ultimately public funded, and this level of requirement is expected to continue with all funding from this source. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

This risk is mitigated in several ways:

- By ensuring the Multi Academy Company is rigorous in delivering high quality education and training and the continued focus of school improvement throughout the Multi Academy Company which is prevalent in its academic results. This has resulted in a larger School Improvement team to support the larger Multi Academy Company. This will maintain or increase pupil numbers.
- Considerable focus and investment are placed on maintaining and managing key relationships with stakeholders internally and within the local communities.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- Through continued carefully managed growth to ensure future sustainability following the successful merger to date and addition of five new schools to the Multi Academy Company from September 2022. There is further growth strategy being planned at present.
- From careful succession planning to ensure stability across the schools within the Multi Academy Company. This is supported by an in-house 'Aspiring Leadership' programme.
- Regular meetings of the Finance and Resources, and Risk & Audit Committees for Directors to understand the position across the schools, nationally and across education and in a timely manner to further mitigate any risks.
- By continued investment in our estate to ensure that it is safe, well managed and complies with current regulations. The Multi Academy Company invested an additional £168K of revenue in capital projects during the year to support the SCA and DFC funding provided.
- By ensuring we keep up to date with all estates legislation and that as well as a central point of responsibility we train our Senior Leadership teams both within the schools and centrally to ensure that there is a high level of understanding around Health and Safety.

There has been a reasonable in year surplus generated across the Multi Academy Company and the exposure to financial risk is low due to tight financial controls. This surplus was difficult to achieve in terms of economic uncertainty and was supported by the stringent controls around staffing from regular Curriculum Led Financial Planning meetings. There are no credit agreements except for operating leases and cashflow is being reviewed monthly to ensure continued liquidity growth.

FUNDRAISING

Small amounts of fundraising took place during the year totalling £78,546.

Parent organisations generate income through activities involving parents and the community. This income is then shared with the schools into targeted areas such as furniture, minibus maintenance and specialised learning equipment and resources.

When fundraising events take place in the schools across the Multi Academy Company the guidelines within the Charity Commission publication "Charity Fundraising – a guide to trustee duties (CC20) are followed.

The schools raise funds without the assistance of any commercial fundraisers for charities and these are transferred to the chosen charities. Under no circumstances does the Multi Academy Company put any undue pressure on any person to donate funds.

STREAMLINED ENERGY AND CARBON REPORTING

- measures taken to improve energy efficiency in the period

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	6,691,853	5,167,312
Energy consumption break down (kWh) (optional)		
• gas,	4,855,868	3,612,830
• electricity,	1,835,985	1,551,987
• transport fuel		2,495
<u>Scope 1 emissions in metric tonnes CO₂e</u>	889	662
Gas consumption	8	0

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Owned transport – mini-buses		
<u>Total scope 1</u>		
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	390	330
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	10	9.67
Total gross emissions in metric tonnes CO2e	1,296	1,001
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.25 (5,284)	0.31 (4152)

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Multi Academy Company is constantly reviewing its energy efficiency as part of its capital asset management plans and is also being prudent in its use.

It has also made a bid for funding to support a decarbonisation project at its largest schools - St Augustine's Catholic High School in Redditch. This considerable project is for the installation of air source heat pumps and a new building management control system.

PLANS FOR FUTURE PERIODS

The Directors of the Multi Academy Company are continuing to work with the Archdiocese and the Department for Education to welcome a further 7 schools into the Multi Academy Company within the next 2 years.

RATIONALE

The ambition of the Multi Academy Company expansion is to create the leading Multi Academy Company within the Archdiocese of Birmingham and one that is nationally recognised as being a centre of excellence for Catholic education and leadership. This proposal is fully supported by the Archdiocese of Birmingham who have identified a total of 24 schools which could join the Multi Academy Company making it significantly larger and more diverse than any other Multi Academy Company within the Archdiocese.

BUILDING CAPACITY TO ACHIEVE GROWTH STRATEGY

The Multi Academy Company has secured Trust Capacity Improvement funding to further provide capacity in both the School Improvement section of the Multi Academy Company and the Operations team. The central team retains oversight of all compliance activity including finance, construction and human resources. The Multi Academy Company central team commission external reviews on an annual basis in safeguarding, teaching standards, health and safety and site & premises to support the management teams on each site in fulfilling their duties. The external contracts allow the central team to grow sustainably without creating a large central function.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

AUDITORS

In so far as the Directors are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' report, incorporating a strategic report, approved by order of the Board of Directors, as the company Directors, on 13th December 2023 and signed on the Board's behalf by:

Yvonne Brennan

**Y Brennan
Chair of Board of Directors**

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

SCOPE OF RESPONSIBILITY

As Directors we acknowledge we have overall responsibility for ensuring that Our Lady of the Magnificat Multi Academy Company 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 Directors has delegated the day-to-day responsibility to the Catholic Senior Education Leader (CSEL) 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 Our lady of the Magnificat Multi Academy Company and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities.

Governance Review

In August 2022, the Board of Directors undertook an external review of governance. This was commissioned by the DfE from the National Governance Association (NGA) as part of the expansion of the Multi Academy Company. The review was led by an experienced professional, a National leader of Governance, Ruth Agnew.

Meeting attendance

The Board of Directors has formally met seven times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Yvonne Brennan, Chair	7	7
Noel Burke	5	7
Mike Connolly	7	7
Mike Fletcher	2	3
Kari Gordon	7	7
Bernadette Mackie	7	7
Michael Tilt	6	7
Victoria Wells	5	7
Christopher Bird	5	7

One member of the Board – Mike Fletcher - resigned on 8th March 2023.

The Finance and Resources Committee is a sub-committee of the main Board of Directors. Its purpose is set out in the Committee's terms of reference.

The Committee met six times during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Yvonne Brennan	6	6
Mike Fletcher	1	2
Bernadette Mackie	2	2
Michael Tilt	6	6
Christopher Bird	4	6

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Risk and Audit Committee is a sub-committee of the main Board of Directors. Its purpose is set out in the Committee's terms of reference.

The Committee met five times during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Noel Burke	4	5
Bernadette Mackie	4	4
Christopher Bird	5	5

The two committees were merged in June 2023 and attendance at the one Finance, Resources, Risk and Audit Committee during the year was as follows:

Director	Meetings attended	Out of a possible
Noel Burke	1	1
Yvonne Brennan	1	1
Michael Tilt	1	1
Christopher Bird	1	1
Bernadette Mackie	0	1

The Catholic Mission, Performance and Standards Committee is a sub-committee of the main Board of Directors. Its purpose is set out in the Committee's terms of reference.

The Committee met six times during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Kari Gordon	6	6
Bernadette Mackie	6	6
Victoria Wells	6	6
Yvonne Brennan	5	6
Mike Connolly	5	6
Antony Tamburro (co-opted)	4	5

The Remuneration Committee is a sub-committee of the main Board of Directors. Its purpose is set out in the Committee's terms of reference.

The Committee met two times during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Kari Gordon	2	2
Yvonne Brennan	2	2
Michael Tilt	2	2
Noel Burke	1	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Catholic Senior Executive leader has responsibility for ensuring that the Multi Academy Company 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 Multi Academy Company's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved including the use of benchmarking data where appropriate.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Accounting Officer of Our Lady of the Magnificat Multi Academy Company accepts that they are responsible and accountable for ensuring the Multi Academy Company delivers good value in the use of public resources.

They are aware of the guide to the academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Multi Academy Company has delivered improved value for money during the year by:

- The tendering of core services for energy contracts, photocopying, catering, and building projects
- Joint procurement across the Multi Academy Company of all IT devices including laptops, printers and tablets and reprographic hardware
- Central review and management of all sites and services across the Multi Academy Company to ensure Health and Safety compliance on behalf of the Directors including additional training and regular updates and a Health & Safety committee.
- Investing in software development to support a robust model of Integrated Curriculum Led Financial Planning to provide appropriate staffing and resources across the Multi Academy Company schools. This will enable decisions to be made faster and ensure consistency by importing the payroll directly into the system.
- Maintaining adequate reserves to ensure the future security of the Multi Academy Company in line with the expectations outlined by the ESFA. These levels have been exceeded at present.

We have been able to achieve a wide range of improvements in the operations of our sites through a number of projects:

The Multi Academy Company received an annual allocation for School Condition Allocation (SCA) capital funding, which is utilised by the organisation to address high priority building/estates works. The works are identified through various reporting sources such as condition surveys, fire risk assessments and safeguarding audits. The funding is allocated across the group of schools via a scoring method which considers the urgency and category of works, with the highest scoring categories being safeguarding and health and safety. A large proportion of SCA to date has been allocated to perimeter fencing improvements, fire safety works and structural works.

The Operations Team is in the process of administering several higher value procurement activities whereby all or a large proportion of the MAC schools are included. The aim is to centralise larger procurement activities for all schools, entering MAC wide contracts (instead of individual school contracts) to achieve the best value and ensure compliance with procurement regulations. Example of services procured to date include energy, reprographics, IT services, and software subscriptions. Current (ongoing) procurement activities include catering, cashless till solutions, grounds maintenance and broadband.

The review by the Accounting Officer is supported by:

- Internal scrutiny report
- Reports from Chief Financial Officer and the Director of Operations.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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 on-going process designed to identify and prioritise the risks to the achievement of Multi Academy Company 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.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The system of internal control has been in place since the merger of the two Multi Academy Companies in September 2021. It remained in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Multi Academy Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks including the risks associated with rapid growth. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating, and managing the Multi Academy Company's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the Board of Directors at every meeting of the Finance, Resources, Risk and Audit Committee. This takes the form of reviewing the risk register which is owned by the Executive team, and they jointly concentrate on strategic risks whilst retaining ownership of their specific areas. The process involves the team bringing to the attention of the Board the current risks and the strategies being deployed to mitigate these risks. This subcommittee reports back to the Full Board every term.

THE RISK AND CONTROL FRAMEWORK

On an annual basis the auditor reports to the Board of Directors, through the Finance, Resources, Risk & Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. These are also reported at each meeting by the Executive team.

The Multi Academy Company'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.

It includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- setting targets to measure financial and other performance indicators.
- regular reviews by the Finance, Resources, Risk & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance indicators.
- identification and management of risks

The Board of Directors has considered the need for a specific Internal Audit function and has decided not to appoint specific Internal Audit staff. The decision was made to buy in an internal audit service from Strictly Education. This decision was made by the Risk & Audit Committee to perform additional internal checks during the year 2022/23.

The internal Auditors' role includes advising on financial matters and performing a range of checks on the Multi Academy Company's financial systems. In particular, the internal checks carried out in the current period included the following three areas:

1 – Income Management: Following a review of requested documents regarding governance structure and processes, and discussions with the Multi Academy Company it was found that the Multi Academy Company has strong income management controls in place.

2 – Cyber Security: Following a review of requested documents regarding HR management, and discussions with the Multi Academy Company it was found that the Multi Academy Company has reasonable cyber security controls.

3 – VAT: Following a review of requested documents regarding payroll management, and discussions with the Multi Academy Company it was found that the Multi Academy Company has strong VAT controls.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Remedial action following the internal audit reports focus on the areas listed above and will be implemented over the next two academic terms.

On an annual basis, when discussing the annual accounts, the Auditors report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CSEL 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 internal audit process completed by an external provider and its gradings and recommendations
- the work of the external auditors including during an interim audit and recommendations made during both audits
- the school resource management tool including Curriculum Led Financial Planning which is widely used throughout the Multi Academy Company.
- the work of the executive managers within the Multi Academy Company who have responsibility for the development and maintenance of the internal control framework.
- Reports to the Director's sub-committees
- Correspondence from the ESFA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Directors 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 Directors on 13th December 2023 and signed on its behalf by:

Yvonne Brennan

Y Brennan
Chair of Board of Directors

T Leverage

T Leverage
Accounting Officer

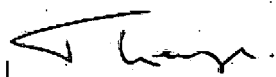
**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Our Lady of the Magnificat Multi Academy Company, I have considered my responsibility to notify the Academy Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Multi Academy Company Board of Directors are able to identify any material irregular or improper use of all funds by the Multi Academy Company, or material non-compliance with the terms and conditions of funding under the Multi Academy Company's funding agreement and the Academies Trust Handbook 2022.

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



T Leverage
Accounting Officer
Date: 13 December 2023

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 Directors and signed on its behalf by:

Yvonne Brennan

Y Brennan
Chair of Board of Directors
Date: 13th December 2023

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY**

Opinion

We have audited the financial statements of Our Lady of the Magnificat Multi Academy Company (the 'Multi Academy Company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Company's affairs as at 31 August 2023 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 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Multi Academy Company 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Multi Academy Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Multi Academy Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Trustees (who are also the directors of the Multi Academy Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Multi Academy Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Multi Academy Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Multi Academy Company's performance;
- results of our enquiries of management and the Director board, including the committees charged with governance over the Multi Academy Company's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Multi Academy Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Multi Academy Company in relation to these areas;
- how the Multi Academy Company ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Multi Academy Company will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Multi Academy Company ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Multi Academy Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Multi Academy Company's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY (CONTINUED)**

- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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



Andrew Wood FCCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

20th December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF THE MAGNIFICAT MULTI ACADEMY COMPANY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27th May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Our Lady of the Magnificat Multi Academy Company during the year 1 September 2022 to 31 August 2023 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 Our Lady of the Magnificat Multi Academy Company and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Our Lady of the Magnificat Multi Academy Company and 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 Our Lady of the Magnificat Multi Academy Company and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Our Lady of the Magnificat Multi Academy Company's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Our Lady of the Magnificat Multi Academy Company's funding agreement with the Secretary of State for Education dated 18th August 2021 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 Multi Academy Company's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the directors to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Multi Academy Company's compliance with safeguarding, health and safety and estates management.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF THE MAGNIFICAT MULTI ACADEMY COMPANY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors

Date: 20th December 2022

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Transfer from existing academies		-	-	-	-	(4,578,213)
Transfer from Local Authority	26	66,556	(66,419)	99,970	100,107	-
Other donations and capital grants		331,074	-	1,550,597	1,881,671	1,289,041
Other trading activities	5	696,629	-	-	696,629	422,324
Investments	6	6,858	-	-	6,858	-
Charitable activities	4	949,429	31,451,756	-	32,401,185	25,672,781
Total income		2,050,546	31,385,337	1,650,567	35,086,450	22,805,933
Expenditure on:						
Charitable activities	8	1,454,557	32,059,022	1,916,021	35,429,600	28,248,385
Total expenditure		1,454,557	32,059,022	1,916,021	35,429,600	28,248,385
Net income/(expenditure)		595,989	(673,685)	(265,454)	(343,150)	(5,442,452)
Transfers between funds	20	-	(168,473)	168,473	-	-
Net movement in funds before other recognised gains/(losses)		595,989	(842,158)	(96,981)	(343,150)	(5,442,452)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	28	-	3,555,000	-	3,555,000	11,105,000
Pension surplus not recognised	28	-	(64,000)	-	(64,000)	-
Net movement in funds		595,989	2,648,842	(96,981)	3,147,850	5,662,548

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Reconciliation of funds:						
Total funds brought forward as previously stated		2,196,583	(5,116,275)	3,656,647	736,955	(4,109,593)
Prior year adjustment	19	-	-	(816,000)	(816,000)	(1,632,000)
Total funds brought forward as restated		2,196,583	(5,116,275)	2,840,647	(79,045)	(5,741,593)
Net movement in funds		595,989	2,648,842	(96,981)	3,147,850	5,662,548
Total funds carried forward		2,792,572	(2,467,433)	2,743,666	3,068,805	(79,045)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 69 form part of these financial statements.

OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09064485

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	15	1,998,392	1,670,139
		<u>1,998,392</u>	<u>1,670,139</u>
Current assets			
Stocks	16	4,372	-
Debtors	17	1,060,812	1,175,389
Cash at bank and in hand		5,860,159	4,736,939
		<u>6,925,343</u>	<u>5,912,328</u>
Creditors: amounts falling due within one year	18	(3,007,930)	(2,316,512)
Net current assets		<u>3,917,413</u>	<u>3,595,816</u>
Total assets less current liabilities		<u>5,915,805</u>	<u>5,265,955</u>
Net assets excluding pension liability		<u>5,915,805</u>	<u>5,265,955</u>
Defined benefit pension scheme liability	28	(2,847,000)	(5,345,000)
Total net assets		<u><u>3,068,805</u></u>	<u><u>(79,045)</u></u>
Funds of the Multi Academy Company			
Restricted funds:			
Fixed asset funds	20	2,743,666	2,840,647
Restricted income funds	20	379,567	228,725
		<u>3,123,233</u>	<u>3,069,372</u>
Restricted funds excluding pension asset	20	3,123,233	3,069,372
Pension reserve	20	(2,847,000)	(5,345,000)
Total restricted funds	20	<u>276,233</u>	<u>(2,275,628)</u>
Unrestricted income funds	20	<u>2,792,572</u>	<u>2,196,583</u>
Total funds		<u><u>3,068,805</u></u>	<u><u>(79,045)</u></u>

The financial statements on pages 27 to 69 were approved by the Directors, and authorised for issue on 13 December 2023 and are signed on their behalf, by:

Yvonne Brennan

Yvonne Brennan
Chair of Board of Directors

OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09064485

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The notes on pages 32 to 69 form part of these financial statements.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

		2023 £	As restated 2022 £
Cash flows from operating activities			
Net cash provided by operating activities	22	569,327	2,164,929
Cash flows from investing activities	23	(74,688)	(261,191)
Change in cash and cash equivalents in the year		494,639	1,903,738
Cash and cash equivalents at the beginning of the year		4,736,939	1,888,435
Cash transferred on conversion to an academy		628,581	944,766
Cash and cash equivalents at the end of the year	24, 25	5,860,159	4,736,939

The notes on pages 32 to 69 form part of these financial statements

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies

A summary of the principal accounting policies adopted, judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Multi Academy Company, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Charities SORP (FRS 102) '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)(effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The Financial Statements have been prepared under the historical cost convention.

1.2 GOING CONCERN

The Board of Directors has a reasonable expectation that the Multi Academy Company 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.

The Multi Academy Company has produced a three-year budget forecast which demonstrates a surplus for the financial year ending the 31st August 2023. A sustainability plan and review program are in place to ensure the individual school's budget within their General Annual Grant income. The overall deficit for the year was £343,150, and the free reserves carry forward as at 31 August 2023 are £3,141,239. The Board continues to support St Mary's Catholic Primary School (Broadway) and Our Lady's Catholic Primary School to overcome their current deficit positions. Projected budget outturns indicate that the deficit at this school will be further reduced in the 2023/24 period.

1.3 INCOME

All income is recognised in the statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

• **Grants**

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

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

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

• **Donations**

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.3 INCOME (CONTINUED)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Multi Academy Company has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Transfer on conversion**

Where assets and liabilities are received by the Multi Academy Company on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Multi Academy Company. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Multi Academy Company**

Where assets and liabilities are received on the transfer of an existing academy into the Multi Academy Company, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Multi Academy Company. An equal amount of income is recognised for the transfer of an existing academy into the Multi Academy Company within 'Income from Donations and Capital Grants' to the net assets acquired.

- **Donated fixed assets (excluding transfers on conversion or into the Multi Academy Company)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi Academy Company's accounting policies.

1.4 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer or economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. All resources expended are inclusive of irrecoverable VAT, where applicable.

The Multi Academy Company is incurring Apprenticeship Levy which will be used towards future training. At the balance sheet date, the Multi Academy Company carries forwards the value of unused Apprenticeship Levy within Other Debtors where there is a reasonable expectation that appropriate training will be incurred in the future periods against which the levy charge can be used.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.4 EXPENDITURE (CONTINUED)

Charitable activities

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

Governance costs

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

Allocation and apportionment of costs

The Multi Academy Company receives funding allocation from the ESFA. Each school within the MAC is allocated their funding based on the funding formula. The schools within the MAC contribute to any central costs that are occurred. These costs are agreed by all schools. The calculation is based on 5% of each schools General Annual Grant, adjusted specific sport costs relating to an individual school.

All resources expended are inclusive of irrecoverable VAT

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Multi Academy Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TANGIBLE FIXED ASSETS

Where the Multi Academy Company has been granted use of school buildings from the Diocese of Birmingham under Supplementary Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of the ownership remain with the Diocese. In such instances, land and buildings are not included on the balance sheet of the Multi Academy Company.

The Supplement Agreement includes the right for the Diocese of Birmingham Trustees to give no less than 2 years written notice to the Multi Academy Company and Secretary State of Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

The MAC includes a notional donation and corresponding notional rent expenses for the use of these assets.

All items purchased with a value over £2,000 (the Academy's capitalisation limit) must be Capitalised and input in the asset register.

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Site improvements	- 2 years straight-line
Fixtures & Fittings,	- 5 years straight-line
Computer equipment	- 3 years straight-line
Motor vehicles	- 4 years straight-line

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to Statement of Financial Activities on a straight line basis over the period lease.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 TAXATION

The Multi Academy Company 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 the UK corporation tax purposes. Accordingly, the Multi Academy Company is potentially exempt from the taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 or 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.

Any income generated from non-primary purpose trading by the Multi Academy Company will be subject to corporation tax. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. There is no tax due in the current financial year.

1.9 PROVISIONS

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

Provisions are measured at the best estimate of the amounts required to settle 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 the interest payable and similar charges.

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Multi Academy Company 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.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.11 FINANCIAL INSTRUMENTS

The Multi Academy Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academy Company and their measurement bases 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 17. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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 instrument.

1.12 PENSIONS

Retirement benefits to employees of the Multi Academy Company are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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 Multi Academy Company 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.13 FUND ACCOUNTING

Unrestricted income funds can be used in accordance with the charitable objectives at the discretion of the Directors.

Restricted funds can only be used for particular restricted purposes within the objectives of the Multi Academy Company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the Financial Statements

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

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

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

2. 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 Multi Academy Company 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The net realisable value of tangible fixed assets and the useful economic life of tangible fixed assets are subject to levels of judgment which could have a material impact on the annual depreciation charge to the Financial Statements

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
DONATIONS					
Transfer in of existing academies into the MAC	-	-	-	-	(4,578,213)
Transfer in on conversion to MAC	66,556	(66,419)	99,970	100,107	-
Donations	331,074	-	93,266	424,340	312,562
Capital Grants	-	-	1,457,331	1,457,331	976,479
TOTAL 2023	397,630	(66,419)	1,650,567	1,981,778	(3,289,172)
TOTAL 2022	967,915	(5,963,634)	1,706,547	(3,289,172)	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the Multi Academy Company's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DFE/ESFA GRANTS				
General Annual Grant	-	24,904,118	24,904,118	19,728,582
Pupil Premium	-	1,104,453	1,104,453	733,515
Start up Grants	-	-	-	125,000
Universal Infant Free School Meals	-	294,433	294,433	228,330
Recovery Premium	-	183,356	183,356	92,560
Rates reclaim	-	30,087	30,087	26,148
Schools Supplementary Grant	-	739,089	739,089	246,913
PE & Sports grant	-	149,400	149,400	183,045
Teachers Pay and Pension Grant	-	82,320	82,320	116,043
Trust Capacity Funding	-	91,178	91,178	100,000
Summer School	-	-	-	80,835
School led tutoring	-	133,272	133,272	80,427
Mainstream Schools Additional Grant	-	369,195	369,195	-
Mass testing and vaccination	-	-	-	47,051
16-19 Funding	-	2,003,956	2,003,956	1,900,267
Others	-	124,794	124,794	40,019
	-	30,209,651	30,209,651	23,728,735
OTHER GOVERNMENT GRANTS				
High Needs -SEN	-	609,840	609,840	472,274
Other LA	-	282,805	282,805	14,319
Early years funding	-	127,209	127,209	-
Other government grants	-	66,321	66,321	47,885
	-	1,086,175	1,086,175	534,478
SALES OF GOODS AND SERVICES	182,771	500	183,271	780,609
OTHER FUNDING				
Catering	577,788	-	577,788	494,259
Sale of Uniform	2,227	-	2,227	3,696
Clubs and Music	186,643	-	186,643	82,630
Supply teacher insurance	-	155,430	155,430	48,374
	766,658	155,430	922,088	628,959
TOTAL 2023	949,429	31,451,756	32,401,185	25,672,781
TOTAL 2022	1,350,843	24,321,938	25,672,781	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	169,922	169,922	112,534
Trips	526,707	526,707	309,790
	<u>696,629</u>	<u>696,629</u>	<u>422,324</u>
	<u>422,324</u>	<u>422,324</u>	
TOTAL 2022	422,324	422,324	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	6,858	6,858	-

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	As restated Total 2022 £
Education:					
Direct costs	19,145,413	2,297,985	1,789,422	23,232,820	19,646,116
Allocated support costs	6,194,446	2,724,412	3,277,922	12,196,780	8,602,269
	<u>25,339,859</u>	<u>5,022,397</u>	<u>5,067,344</u>	<u>35,429,600</u>	<u>28,248,385</u>
TOTAL 2022 AS RESTATED	20,271,484	4,142,771	3,834,130	28,248,385	

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	As restated Total 2022 £
Education	1,454,557	33,975,043	35,429,600	28,248,385
TOTAL 2022 AS RESTATED	1,154,544	27,093,841	28,248,385	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Education	23,232,820	12,196,780	35,429,600	28,248,385
TOTAL 2022 AS RESTATED	19,646,116	8,602,269	28,248,385	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Pension finance costs	174,014	174,014	141,850
Staff costs	18,163,178	18,163,178	15,735,481
Depreciation	1,203,483	1,203,483	1,241,566
Educational supplies	1,722,900	1,722,900	1,301,731
Other costs	102,266	102,266	133,627
Agency staff	982,235	982,235	421,433
Recruitment and support	64,531	64,531	117,585
Maintenance of premises and equipment	526,734	526,734	351,466
Technology costs	252,047	252,047	174,475
Educational consultancy	41,432	41,432	26,902
	23,232,820	23,232,820	19,646,116

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	84,986	84,986	124,150
Staff costs	6,051,057	6,051,057	3,978,670
Depreciation	126,271	126,271	71,305
Other costs	153,415	153,415	76,259
Agency staff	143,389	143,389	135,900
Recruitment and support	474,237	474,237	297,517
Maintenance of premises and equipment	1,522,810	1,522,810	937,342
Cleaning	227,484	227,484	233,747
Rent and rates	341,124	341,124	369,685
Energy costs	632,994	632,994	425,589
Insurance	140,460	140,460	84,252
Security and transport	67,298	67,298	-
Catering	1,114,977	1,114,977	526,613
Technology costs	240,479	240,479	569,602
Office overheads	576,737	576,737	561,544
Professional fees	169,535	169,535	74,032
Legal Fees	69,259	69,259	36,682
Bank interest and charges	8,815	8,815	4,168
Loss on disposal of fixed assets	-	-	14,993
Governance costs	51,453	51,453	80,219
	12,196,780	12,196,780	8,602,269

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	As restated 2022 £
Operating lease rentals	96,720	100,045
Depreciation of tangible fixed assets	2,145,764	1,312,870
Loss on disposal of fixed assets	-	14,993
Fees paid to auditors for:		
- audit	35,590	31,700
- other services	2,620	3,550

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	18,147,177	14,444,776
Social security costs	1,713,623	1,229,166
Pension costs	4,353,435	4,040,209
	<u>24,214,235</u>	<u>19,714,151</u>
Supply teacher costs	1,125,624	557,333
	<u>25,339,859</u>	<u>20,271,484</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	325	249
Support Staff	398	316
	<u>723</u>	<u>565</u>

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11. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	266	226
Support Staff	211	187
	<u>477</u>	<u>413</u>

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	8	12
In the band £70,001 - £80,000	11	2
In the band £80,001 - £90,000	4	1
In the band £90,001 - £100,000	3	3
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Multi Academy Company comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Multi Academy Company was £2,322,424 (2022 - £1,573,083).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Central services

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

- IT support services
- Financial services
- Legal services
- Education support services
- HR support services
- Data Protection Officer
- Chief Accounting Officer
- Clerking services
- Estate and premises support services

The Multi Academy Company charges for these services on the following basis:

A flat rate of 5% of the Individual Academy's GAG income for the year (2022: 5%) plus any specific additional charges.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
St Augustine's Catholic High School	278,513	447,796
St Bede's Catholic Middle School	158,780	167,648
Our Lady of Mount Carmel Catholic First School	61,629	84,145
St Peter's Catholic First School	59,560	70,736
St Thomas More Catholic First School	42,767	45,498
Trinity Catholic School	158,972	174,218
St Benedict's Catholic High School	169,888	220,902
St Gregory's Catholic Primary School	43,537	52,183
St Mary's Catholic Primary School (Evesham)	34,885	44,332
St Mary's Catholic Primary School (Henley)	29,830	34,267
Our Lady's Catholic Primary School	24,272	30,014
St Mary's Catholic Primary School (Broadway)	22,130	27,395
Our Lady and St Theresa's Catholic Primary School	36,682	-
St Augustine's Catholic Primary School	39,878	-
St Marie's Catholic Primary School & Nursery	82,226	-
English Martyrs' Catholic Primary School	45,945	-
St Marys Catholic Primary School, Studley	47,341	-
TOTAL	1,336,835	1,399,134

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13. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, expenses totalling £396 were reimbursed or paid directly to 3 Directors (2022 - £245 to 2 Directors).

14. Directors' and Officers' insurance

The Multi Academy Company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on MAC business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme membership.

15. Tangible fixed assets

	Site Improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2022 (as restated)	2,093,430	1,472,418	998,253	-	4,564,101
Additions	620,036	826,865	99,946	11,200	1,558,047
Acquired on conversion	-	-	99,970	-	99,970
At 31 August 2023	2,713,466	2,299,283	1,198,169	11,200	6,222,118
DEPRECIATION					
At 1 September 2022 (as restated)	1,075,956	976,915	841,091	-	2,893,962
Charge for the year	955,251	220,967	151,454	2,092	1,329,764
At 31 August 2023	2,031,207	1,197,882	992,545	2,092	4,223,726
NET BOOK VALUE					
At 31 August 2023	682,259	1,101,401	205,624	9,108	1,998,392
At 31 August 2022 (as restated)	1,017,474	495,503	157,162	-	1,670,139

The Multi Academy Company occupies land and building under the control of the Diocese. These assets do not appear on the fixed asset register, instead a notional payment is made in respect of the use of these assets along with an accompanying donation from the diocese.

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
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16. Stocks

	2023 £	2022 £
Goods for resale	4,372	-

17. Debtors

	2023 £	2022 £
Trade debtors	275,677	88,694
Prepayments and accrued income	661,421	976,667
VAT recoverable	123,714	110,028
	<u>1,060,812</u>	<u>1,175,389</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	209,319	419,054
Other taxation and social security	399,799	316,964
Pension fund loan payable	449,515	333,640
Other creditors	10,643	58,772
Accruals and deferred income	1,938,654	1,188,082
	<u>3,007,930</u>	<u>2,316,512</u>

	2023 £	2022 £
Deferred income at 1 September 2022	191,205	277,718
Resources deferred during the year	489,979	191,205
Amounts released from previous periods	(191,205)	(277,718)
	<u>489,979</u>	<u>191,205</u>

19. Prior year adjustments

There has been a prior year restatement in relation to the St Bede's Sports Hall, due to the MAC occupying the land and buildings under the control of the Diocese. The Sports Hall had been incorrectly classified and leasehold land and building improvements and was therefore omitted from the transfer in 2021 to the Diocese.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Statement of funds

	As restated Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General funds	2,196,583	2,050,546	(1,454,557)	-	-	2,792,572
RESTRICTED GENERAL FUNDS						
General Annual Grant	131,538	27,566,742	(27,181,140)	(168,473)	-	348,667
Start Up Grants	46,548	-	(46,548)	-	-	-
Pupil Premium	-	1,104,453	(1,104,453)	-	-	-
UIFSM	-	294,433	(294,433)	-	-	-
PE & Sports Grant	50,639	149,400	(200,039)	-	-	-
Teachers Pay and Pension grant	-	82,320	(82,320)	-	-	-
LA SEN	-	609,840	(609,840)	-	-	-
Other DfE revenue grants	-	1,558,789	(1,558,789)	-	-	-
Other revenue grants	-	66,921	(36,021)	-	-	30,900
Other Restricted	-	647,439	(647,439)	-	-	-
Pension reserve	(5,345,000)	(695,000)	(298,000)	-	3,491,000	(2,847,000)
	<u>(5,116,275)</u>	<u>31,385,337</u>	<u>(32,059,022)</u>	<u>(168,473)</u>	<u>3,491,000</u>	<u>(2,467,433)</u>

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20. Statement of funds (continued)

	As restated Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
DFC	1,354,096	144,533	(548,245)	-	-	950,384
GAG	394,723	-	(144,402)	168,473	-	418,794
Other capital grants	39,529	309,268	(127,601)	-	-	221,196
Conversion	122,113	177,489	(109,604)	-	-	189,998
SCA	515,456	1,003,530	(555,692)	-	-	963,294
S106	214,730	15,747	(230,477)	-	-	-
Sale of Priest House	200,000	-	(200,000)	-	-	-
	<u>2,840,647</u>	<u>1,650,567</u>	<u>(1,916,021)</u>	<u>168,473</u>	<u>-</u>	<u>2,743,666</u>
TOTAL FUNDS	<u>(79,045)</u>	<u>35,086,450</u>	<u>(35,429,600)</u>	<u>-</u>	<u>3,491,000</u>	<u>3,068,805</u>

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

General Annual Grant

The General Annual Grant is the delegated fund received from the ESFA. The GAG is made up of several funding factors. The main factor is based on student numbers taken from census data, Basic entitlement Age Weighted Pupil Unit. The remaining factors are based on student specific data again taken from census data, Deprivation, Looked After Children, Prior Attainment, English as an additional language, and Mobility. Additional funding factor is used for Sparsity and each school receives a Lump Sum depending on sector, primary or secondary. Funding for the Sixth form programme is received via GAG based on census data received. Sixth form funding is calculated using a small number of factors such as banding for hours a student receives. The MAC is not subject to a limit on GAG carry forward.

DfE/EFA capital grants

Devolved Formula Capital and Conditions Improvement Fund funding can be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment and minor works. All schools within the Multi Academy Company who have been in receipt of the fund have used it to make improvements to their IT provision, upgrade their fixtures and fittings or undertaken minor building works/improvements.

The Condition Improvement Fund (CIF)

The Condition Improvement Fund (CIF) supports projects to address condition issues and schools and colleges that need to expand their existing provision.

Pension reserve

The Pension Reserve relates to the Multi Academy Company's share of the Local Government Pension Scheme deficit.

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20. Statement of funds (continued)

Capital expenditure from GAG

Where tangible fixed assets are acquired by the Academies, the Academies use their Developed Formula Capital income. Once these funds are exhausted and the Academies still require Tangible Fixed Assets, funds are transferred from the General Annual Grant to cover the cost of these assets required.

Tangible Fixed Assets acquired on Conversion to Academies

At conversion all schools had their fixed assets transferred to the new Multi Academy Company. These transfers were made from the Archdiocese of Birmingham or Worcestershire County Council. The fund is charged with depreciation of the assets in each period.

16-19 Bursary

St Augustine's Catholic High School, St Benedict's Catholic High School and Trinity Catholic School all run successful sixth forms. Eligible Students are able to apply for a grant to support their studies. The grant is known as the 16-19 bursary, and is provided to the Multi Academy Company to distribute to eligible pupils at its discretion. This is not recognised as income or expenditure of the Multi Academy Company.

SCA

School Condition Allocation supports projects to address condition issues and schools and colleges that need to expand their existing provision and replace CIF funding going forward.

S106

St Mary's Catholic Primary School (Broadway) is due to receive funding in relation to a building project upon completion.

Sale of Priest House

St Mary's Catholic Primary School (Broadway) had a Priest's House on site, which has since been transferred to the Diocese and subsequently sold, upon completion of building works, the MAC received £200,000 for the work completed in relation to the sale of the house which has to be spent on building works in Broadway

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20. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	As restated Balance at 1 September 2021 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General funds	717,105	2,741,082	(885,798)	(375,806)	-	2,196,583
RESTRICTED GENERAL FUNDS						
Teaching School	208	-	(208)	-	-	-
General Annual Grant	411,309	21,749,215	(22,028,986)	-	-	131,538
Start Up Grants	-	125,000	(78,452)	-	-	46,548
Pupil Premium	-	733,515	(733,515)	-	-	-
UIFSM	-	228,330	(228,330)	-	-	-
PE & Sports Grant	-	183,045	(132,406)	-	-	50,639
Teachers Pay and Pension grant	-	116,043	(116,043)	-	-	-
LA SEN	-	472,274	(472,274)	-	-	-
SSG	-	246,913	(246,913)	-	-	-
Other DfE revenue grants	-	476,481	(476,481)	-	-	-
Other revenue grants	-	62,204	(62,204)	-	-	-
Other Restricted	-	49,284	(49,284)	-	-	-
Pension reserve	(9,255,000)	(6,084,000)	(1,111,000)	-	11,105,000	(5,345,000)
	<u>(8,843,483)</u>	<u>18,358,304</u>	<u>(25,736,096)</u>	<u>-</u>	<u>11,105,000</u>	<u>(5,116,275)</u>

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20. Statement of funds (continued)

	As restated Balance at 1 September 2021 £	Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
DFC	1,446,836	511,088	(796,538)	192,710	-	1,354,096
GAG	665,444	-	(270,721)	-	-	394,723
Other capital grants	66,640	-	(27,111)	-	-	39,529
Conversion	205,865	-	(83,752)	-	-	122,113
SCA	-	868,983	(353,527)	-	-	515,456
S106	-	131,582	-	83,148	-	214,730
Sale of Priest House	-	200,000	-	-	-	200,000
CIF	-	(5,106)	(94,842)	99,948	-	-
	<u>2,384,785</u>	<u>1,706,547</u>	<u>(1,626,491)</u>	<u>375,806</u>	<u>-</u>	<u>2,840,647</u>
TOTAL RESTRICTED FUNDS	<u>(6,458,698)</u>	<u>20,064,851</u>	<u>(27,362,587)</u>	<u>375,806</u>	<u>11,105,000</u>	<u>(2,275,628)</u>
TOTAL FUNDS	<u>(5,741,593)</u>	<u>22,805,933</u>	<u>(28,248,385)</u>	<u>-</u>	<u>11,105,000</u>	<u>(79,045)</u>

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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	As restated 2022 £
St Augustine's Catholic High School	126,521	104,878
St Bede's Catholic Middle School	75,686	61,725
Our Lady of Mount Carmel Catholic First School	31,132	-
St Peter's Catholic First School	30,438	24,094
St Thomas More Catholic First School	18,184	17,684
Trinity Catholic School	84,899	65,388
St Benedict's Catholic High School	82,555	72,141
St Gregory's Catholic Primary School	15,941	16,891
St Mary's Catholic Primary School (Evesham)	11,043	14,544
St Mary's Catholic Primary School (Henley)	14,526	11,656
Our Lady's Catholic Primary School	(25,947)	10,054
St Mary's Catholic Primary School (Broadway)	(252,131)	(229,890)
Our Lady and St Theresa's Catholic Primary School	19,014	-
St Augustine's Catholic Primary School	19,913	-
St Marie's Catholic Primary School & Nursery	44,436	-
English Martyrs' Catholic Primary School	22,413	-
St Marys Catholic Primary School, Studley	23,947	-
Central Services	2,829,569	2,256,143
Total before fixed asset funds and pension reserve	3,172,139	2,425,308
Restricted fixed asset fund	2,743,666	2,840,647
Pension reserve	(2,847,000)	(5,345,000)
TOTAL	3,068,805	(79,045)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
St Mary's Catholic Primary School (Broadway)	(252,131)
Our Lady's Catholic Primary School	(25,947)

St Mary's Catholic Primary School in Broadway and Our Lady's Catholic Primary School in Alcester both are small half form entry schools with low numbers on roll. Our Lady's Catholic Primary School has also struggled with pupil numbers since its Ofsted judgement of Requires Improvement in February 2020.

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20. Statement of funds (continued)

The Multi Academy Company is taking the following action to return the academies to surplus:

St Mary's in Broadway now works very closely with St Mary's Evesham sharing staff, best practice and an Executive Headteacher. The Multi Academy Company has invested in two new purpose-built classrooms which should help to attract and increase pupil numbers. This investment was supported with funding from Section 106 income from Worcestershire County Council and the Diocese of Birmingham Education service. This is part of the plan to make the school financially viable.

Our Lady's Catholic Primary's Local Governing Body was replaced by a School Improvement Board and a new Headteacher has been appointed from 1st September 2023 as the Multi Academy Company supports it moving forwards

Total cost analysis by academy

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

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
St Augustine's Catholic High School	3,668,646	975,506	376,712	869,568	5,890,432	5,105,994
St Bede's Catholic Middle School	2,353,235	402,993	65,968	625,306	3,447,502	3,061,388
Our Lady of Mount Carmel Catholic First School	884,895	184,107	57,254	266,611	1,392,867	1,210,635
St Peter's Catholic First School	882,741	227,454	62,997	224,145	1,397,337	1,272,646
St Thomas More Catholic First School	541,927	220,274	80,023	236,072	1,078,296	1,047,345
Trinity Catholic School	2,256,081	439,581	421,176	956,206	4,073,044	3,625,930
St Benedict's Catholic High School	2,425,682	588,795	194,280	638,681	3,847,438	3,442,516
St Gregory's Catholic Primary School	573,295	136,691	62,510	299,162	1,071,658	1,012,817
St Mary's Catholic Primary School (Evesham)	504,339	151,543	38,001	147,914	841,797	829,813

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20. Statement of funds (continued)

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
St Mary's Catholic Primary School (Henley)	419,732	65,409	15,156	161,679	661,976	657,988
Our Lady's Catholic Primary School	357,059	122,134	47,561	214,190	740,944	641,562
St Mary's Catholic Primary School (Broadway)	320,072	99,420	18,273	124,630	562,395	644,966
Our Lady and St. Theresa's Catholic Primary School	385,392	179,956	26,379	171,102	762,829	-
St Augustine's Catholic Primary School	546,870	249,847	50,495	196,708	1,043,920	-
St Marie's Catholic Primary School & Nursery	1,081,915	481,406	79,962	345,383	1,988,666	-
English Martyrs' Catholic Primary School	533,424	323,075	47,341	190,963	1,094,803	-
St Marys Catholic Primary School, Studley	574,843	317,052	68,850	219,361	1,180,106	-
Central Services	835,265	1,029,203	9,962	1,149,406	3,023,836	4,381,914
MULTI ACADEMY COMPANY	19,145,413	6,194,446	1,722,900	7,037,087	34,099,846	26,935,514

**OUR LADY OF THE MAGNIFICAT MULTI ACADEMY COMPANY
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	1,998,392	1,998,392
Current assets	2,792,572	2,499,402	1,633,369	6,925,343
Creditors due within one year	-	(2,119,835)	(888,095)	(3,007,930)
Provisions for liabilities and charges	-	(2,847,000)	-	(2,847,000)
TOTAL	2,792,572	(2,467,433)	2,743,666	3,068,805

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	As restated Restricted fixed asset funds 2022 £	As restated Total funds 2022 £
Tangible fixed assets	-	-	1,670,139	1,670,139
Current assets	2,196,583	2,348,596	1,367,149	5,912,328
Creditors due within one year	-	(2,119,871)	(196,641)	(2,316,512)
Provisions for liabilities and charges	-	(5,345,000)	-	(5,345,000)
TOTAL AS RESTATED	2,196,583	(5,116,275)	2,840,647	(79,045)

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22. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	As restated 2022 £
Net expenditure for the year (as per Statement of financial activities)	(343,150)	(5,442,452)
ADJUSTMENTS FOR:		
Depreciation	1,329,764	1,312,870
Capital grants from DfE and other capital income	(1,457,331)	(110,265)
Defined benefit pension scheme obligation inherited	695,000	6,084,000
Defined benefit pension scheme cost less contributions payable	298,000	1,111,000
(Increase)/decrease in stocks	(4,372)	-
Decrease/(increase) in debtors	114,577	(523,644)
Increase in creditors	665,390	949,698
Loss on disposal of fixed assets	-	126,973
Donated fixed assets	(99,970)	(398,485)
Funds inherited on transfer	(628,581)	(1,107,301)
Net assets inherited on transfer	-	162,535
NET CASH PROVIDED BY OPERATING ACTIVITIES	569,327	2,164,929

23. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(1,532,019)	(371,456)
Capital grants from DfE Group	1,457,331	110,265
NET CASH USED IN INVESTING ACTIVITIES	(74,688)	(261,191)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	5,860,159	4,736,939
TOTAL CASH AND CASH EQUIVALENTS	5,860,159	4,736,939

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,736,939	1,123,220	5,860,159
Debt due within 1 year	(333,640)	(115,875)	(449,515)
	<u>4,403,299</u>	<u>1,007,345</u>	<u>5,410,644</u>

26. Conversion to an academy trust

On 1st September 2022 English Martyrs' Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Our Lady of the Magnificat Multi Academy Company from Warwickshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	19,090	19,090
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	-	160,156	-	160,156
Cash - representing budget surplus on other school funds	6,785	-	-	6,785
Defined benefit pension scheme liability	-	(167,000)	-	(167,000)
NET ASSETS/(LIABILITIES)	<u>6,785</u>	<u>(6,844)</u>	<u>19,090</u>	<u>19,031</u>

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26. Conversion to an academy trust (continued)

On 1st September 2022 St Augustine's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Our Lady of the Magnificat Multi Academy Company from Warwickshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	10,840	10,840
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	-	114,646	-	114,646
Cash - representing budget surplus on other school funds	16,977	-	-	16,977
Defined benefit pension scheme liability	-	(73,000)	-	(73,000)
NET ASSETS	16,977	41,646	10,840	69,463

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26. Conversion to an academy trust (continued)

On 1st September 2022 Our Lady and St Theresa's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Our Lady of the Magnificat Multi Academy Company from Warwickshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	14,270	14,270
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	-	129,763	-	129,763
Cash - representing budget surplus on other school funds	8,237	-	-	8,237
Defined benefit pension scheme liability	-	(59,000)	-	(59,000)
NET ASSETS	<u>8,237</u>	<u>70,763</u>	<u>14,270</u>	<u>93,270</u>

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26. Conversion to an academy trust (continued)

On 1st September 2022 St Mary's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Our Lady of the Magnificat Multi Academy Company from Warwickshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	28,290	28,290
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	-	108,831	-	108,831
Cash - representing budget surplus on other school funds	18,148	-	-	18,148
Defined benefit pension scheme liability	-	(113,000)	-	(113,000)
NET ASSETS/(LIABILITIES)	18,148	(4,169)	28,290	42,269

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26. Conversion to an academy trust (continued)

On 1st September 2022 St Marie's Catholic Primary School & Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Our Lady of the Magnificat Multi Academy Company from Warwickshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	27,480	27,480
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	-	115,185	-	115,185
Cash - representing budget surplus on other school funds	16,409	-	-	16,409
Defined benefit pension scheme liability	-	(283,000)	-	(283,000)
NET ASSETS/(LIABILITIES)	16,409	(167,815)	27,480	(123,926)

27. Capital commitments

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Repairs, maintenance or enhancements	159,089	132,367

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28. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £449,515 were payable to the schemes at 31 August 2023 (2022 - £333,640) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,000 million, giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027.

The employer's pension costs paid to TPS in the year amounted to £1,917,215 (2022 - £2,157,553).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,677,000 (2022 - £1,037,880), of which employer's contributions totaled £1,363,000 (2022 - £756,972) and employees' contributions totaled £ 314,000 (2022 - £280,908). The agreed contribution rates for future years are 20.9 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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

	2023 %	2022 %
Rate of increase in salaries	4.06	4.03
Rate of increase for pensions in payment/inflation	2.94	3.01
Discount rate for scheme liabilities	5.22	4.27
Inflation assumption (CPI)	3.01	2.97

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

	2023 Years	2022 Years
Retiring today		
Males	21.2	21.98
Females	24.4	24.44
Retiring in 20 years		
Males	22.0	23.23
Females	25.3	26.31

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28. Pension commitments (continued)

Sensitivity analysis

	2023	Restated
	£000	2022
		£000
Discount rate +0.1%	(371)	(381)
Discount rate -0.1%	375	385
Mortality assumption - 1 year increase	554	500
Mortality assumption - 1 year decrease	(551)	(497)
CPI rate +0.1%	355	363
CPI rate -0.1%	(352)	(359)

Share of scheme assets

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	9,489,800	7,890,400
Other bonds	2,246,130	629,070
Property	1,641,390	1,818,020
Cash and other liquid assets	177,680	604,250
Other	990,000	896,260
TOTAL MARKET VALUE OF ASSETS	14,545,000	11,838,000

The actual return on scheme assets was £207,891 (2022 - £-376,000).

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

	2023	2022
	£	£
Current service cost	1,402,000	2,014,000
Past service cost	-	(32,000)
Interest income	607,000	183,000
Interest cost	(866,000)	(449,000)
Administrative expenses	9,000	9,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	1,152,000	1,725,000

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28. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2023 £	2022 £
At 1 September	17,183,000	15,930,000
Conversion of academy trusts	2,611,000	10,510,000
Current service cost	1,402,000	2,014,000
Interest cost	866,000	449,000
Employee contributions	314,000	230,000
Actuarial gains	(4,159,000)	(11,673,000)
Benefits paid	(248,000)	(309,000)
Past service costs	-	32,000
AT 31 AUGUST	17,969,000	17,183,000

Changes in the fair value of the Multi Academy Company's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	11,838,000	6,675,000
Conversion of academy trusts	1,916,000	4,426,000
Interest income	616,000	192,000
Actuarial losses	(604,000)	(568,000)
Employer contributions	1,363,000	1,201,000
Employee contributions	314,000	230,000
Benefits paid	(248,000)	(309,000)
Administration expenses	(9,000)	(9,000)
Derecognition of pension surplus	(64,000)	-
AT 31 AUGUST	15,122,000	11,838,000

The Multi Academy Company has an unrecognised surplus of £64,000 (2022 - £ -) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

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29. Operating lease commitments

At 31 August 2023 the Multi Academy Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	90,039	61,239
Later than 1 year and not later than 5 years	110,839	17,513
	<u>200,878</u>	<u>78,752</u>

30. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

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31. Related party transactions

Owing to the nature of the Multi Academy Company and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Multi Academy Company's financial regulations and normal procurement procedures relating to connected and related party transactions.

	Services purchased £	Owed at 31 August 2023 £	Services sold £	Due at 31 August 2023 £
Archdiocese of Birmingham	65,185	-	201,200	600
Bishop Challoner Catholic College	1,170	-	1,500	-
St Joseph's Catholic Primary	400	-	-	-
St Mary's Catholic Primary	-	-	12,000	4,000
St John Wall Catholic School	27,615	-	-	-
St Patrick's Primary	120	-	-	-
	94,490	-	214,700	4,600

J Fletcher, spouse of a Director, is employed by the Multi Academy Company. The appointment was made in open competition and the related Director was not involved in the decision-making process regarding the appointment which involved moving between schools within the Multi Academy Company. The staff member is paid within the normal scale range for their role and receive no special treatment because of their relationship to the Director. This Director resigned during the year.

T Concannon was appointed as the Multi Academy Lead for Modern Foreign languages. She is the spouse of a Headteacher within the Multi Academy Company.

I McNally was appointed as an Assistant Headteacher. He is the spouse of the Assistant Director of School Improvement within the Multi Academy Company.

These were fair recruitment processes, and the staff members are remunerated within a pay scale comparable to colleagues.