

Company Registration No. 09111449 (England and Wales)

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016



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THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

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THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Right Reverend Michael Campbell OSA Lancaster Roman Catholic Diocesan Trust St John Boste Catholic Academy Support Trust	
Directors	Mr B Leyland (Chairman) Mr S Tierney (Executive Director and Accounting Officer) Mr P Desborough Mr J Baugh (Resigned 5 April 2016) Mrs E Boniface Mrs T Gadallah (Resigned 14 June 2016) Mrs C Hardy Mrs B Hodgkins (Resigned 20 October 2015) Mr M Humphreys Mrs E Kelly Mr P Marley Father J O'Connor (Resigned 14 September 2015) Mrs C Riley Father J Winstanley Mr R Turpin (Appointed 5 April 2016) Mrs S Ridyard Mrs M Graham (Appointed 24 February 2016)	
Senior management team		
- Executive Director	Mr S Tierney	
- Headteacher	Mr S Eccles	
- Headteacher	Mr D Kennedy	
- Headteacher	Mrs S Smith	
- Trust Business Manager	Miss E Trotter	
Company registration number	09111449 (England and Wales)	
Company name	The Blessed Edward Bamber Catholic Multi Academy Trust	
Registered office	St Mary's Catholic College St Walburga's Road Blackpool FY3 7EQ	
Academies operated	Location	Principal
St Mary's Catholic Academy	Blackpool	Mr S Eccles
St Cuthbert's Catholic Academy	Blackpool	Mr D Kennedy
Christ the King Catholic Academy	Blackpool	Mrs S Smith

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Moore and Smalley LLP
Richard House
9 Winckley Square
Preston
PR1 3HP

Solicitors

Winkworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016.

The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust currently operates two primary and one secondary academies across Blackpool. Its academies have combined capacity of 1,634 and students on roll of 1,649 in the school census on January 2016.

Structure, governance and management

Constitution

The Blessed Edward Bamber Catholic Multi Academy Trust ("The Trust") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The Directors act as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Blessed Edward Bamber Catholic Multi Academy Trust.

Details of the Directors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

The Academy has purchased indemnity insurance to protect Directors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of directors

The Directors are appointed by the following:

Parent Directors	Elected by parents of the students of the Trust
Staff Directors	Chief Executive Officer
Foundation Directors	Appointed by the Diocesan Bishop
Other Directors	Appointed by majority decision of the Directors

Policies and procedures adopted for the induction and training of directors

All Directors are provided with copies of the Articles of Association, the Governors Handbook, the Strategic Development Plan and other information on the working practices of the Board on appointment. Induction training is provided by a National Leader of Governance and ongoing training is provided through an external Clerking Service provided by the Local Authority.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Trust was formed on the 1 September 2014 from Christ the King Catholic Primary School, St Cuthbert's Catholic Primary School and St Mary's Catholic College. As part of a coherent vision to act together in a deep partnership, the trust was formed with a single Board, a Chief Executive Officer and no local governing bodies. Two of the academies were convertors and the other a sponsored academy. The Trust is open to other Catholic schools joining as determined and agreed by the Lancaster RC Diocese Trustees.

The Trust is governed by its Board of Directors, whose members are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The organisational structure of the Trust consists of 4 levels: the Board of Directors, the Chief Executive Officer, the Headteachers, the Senior Leadership Team.

The Board of Directors is responsible for setting general policies, adopting an annual plan and budget, monitoring performance using results and making major decisions about the direction of the Trust, capital expenditure and, appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the Board of Directors:

- Finance, Staffing & Premises Committee
- Audit Committee
- Standards Committee
- Ethos & Community Committee
- Pay Committee

The Chief Executive Officer is also the Accounting Officer and has responsibility for managing the academies at an executive level implementing the policies laid down by the Directors and reporting back to them with the support of the Senior Leadership Team comprising the Headteachers in the individual academies.

Arrangements for setting pay and remuneration of key management personnel

The Directors consider the board of Directors, who are the Trust's Trustees, the Chief Executive Officer, the Headteachers and the Trust Business Manager comprise the key management personnel of the company in charge of directing and controlling, running and operating the Trust on a day to day basis. All Directors except for the Chief Executive Officer give their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in note 9 to the accounts. The pay of the Headteachers and the Trust Business Manager is reviewed annually and normally increased in line with the recommendations of the School Teachers' Review Body and the National Joint Council for Local Government Services respectively.

Related parties and other connected charities and organisations

The Trust works in partnership with the Lancaster Diocese, the Local Authority, the Catholic Teaching Alliance (North) and Fylde Coast Teaching School Alliance, clusters of schools who are beacons of excellent practice. It also has links with the family of Blackpool and Lancaster Diocesan Catholic schools and has strong community links.

Objectives and activities

Objects and aims

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

The Blessed Edward Bamber Catholic Multi Academy Trust seeks to be the place of first choice for children to learn and staff to work. Through an extensive challenging curriculum and best practice in teaching and learning, informed by research and the experiences of our staff, we will enhance children's life chances by maximising their educational outcomes. A rich Catholic ethos in which all grow in wisdom, responsibility, respect of others and love of God will be our hallmark.

The main objectives for the year were:

- To implement a challenging spiral Mathematics & Numeracy Curriculum from Key Stage 1 to 5;
- To develop a challenging spiral English & Literacy Curriculum from Key Stage 1 to 5;
- To implement a Data & Feedback Informed Teaching Approach directed towards challenging next stage ready assessments and associated closing the gap processes;
- To develop a stage appropriate professional development curriculum for teachers;
- To implement a Quality Assurance Programme across the Trust with external validation/peer review;
- To develop a "Healthy Minds, Healthy Mindset" Strategy to address mental health and resilience barriers to achievement;
- To develop recruitment and retention strategy based on a positive ethos, workload reform, professional development and enhanced opportunities for staff.

Public benefit

The Directors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the year. The main public benefit delivered by the Trust is the provision of a high quality of education to its students. This has been evidenced through the results achieved and feedback from external assessments.

Strategic report

Achievements and performance

Nationally there were significant and substantial changes to statutory assessments in Primary Schools. It is not possible to compare to previous years.

Attainment and progress results were consistently at or above national averages at Christ the King and indicate the high quality of work being done across the academy with substantial numbers of pupils from disadvantaged backgrounds. Attendance also improved, to 96.01% with persistent absence (using the new 90% threshold) at 3.36%.

At St. Cuthbert's Key Stage 2 results were of concern, consistently below the national average. On a more positive note attendance improved again to 95.72% and persistent absence (new 90% threshold) was 5.94%.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

Christ the King

Measure	Expected Standard	Progress	National Averages (ES)
Reading	70	+2.9	66
Mathematics	80	+3.6	70
Writing TA	70	-1.0	74
RWM Combined	60		53
SPAG	73		72
Science TA	68		

St Cuthbert's

Measure	Expected Standard	Progress	National Averages (ES)
Reading	43	-3.4	66
Mathematics	57	-0.5	70
Writing TA	64	-1.6	74
RWM Combined	39		53
SPAG	50		72
Science TA	93		

This year's performance measures for secondary schools are again new and so comparison with previous years is again not possible. St Mary's, with a year group that was below average attainment on entry, performed very well with results at or above national average on all indicators except the English Baccalaureate. The Academy does not "force" students to follow an English Baccalaureate curriculum preferring to allow, within the curriculum model, for students and parents to have a greater degree of choice. Results in Sixth Form were pleasing with students making good (A2) and excellent (AS-level) progress from their GCSE baseline.

St Mary's

Measure	2016 Actual
A*-C including English & maths	59.3
Attainment 8	49.8
Progress 8	+0.08
English Baccalaureate	10.0
Destinations (2014)	94
Attendance	95.4
Persistent Absence	9.1

Going concern

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The Trust's total incoming resources during the year were £9,831,605. The majority of the Trust's income derives from central government funding via the Education Funding Agency, in the form of government grants. Total funding received for the Trust's educational operations in the period was £9,305,098 and further details are provided in note 3 to the accounts.

Total outgoing resources for the year were £9,439,273. The majority of the Trust's expenditure related to the direct provision of educational operations, amounting to £9,380,394. The excess of income over expenditure was £392,332.

At the period end the Trust's total reserves were in deficit by £1,266,355. This included the deficit on the Local Government Pension Scheme of £3,073,000. Excluding this balance leaves positive funds of £1,806,645 including unrestricted funds of £810,454 and restricted fixed assets of £207,162. The remaining balances on restricted funds relate to funding received in the period which is due to be spent in 2016/17 in accordance with the terms of funding. Further detail is provided in note 15.

At 31 August 2016 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Trust.

On conversion the Trust inherited a deficit of £1,758,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit has increased to £3,073,000 by 31 August 2016, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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. The Trust has entered into an agreement to make contributions towards the deficit of £86,700 between April 2016 and March 2017.

Reserves policy

Total restricted GAG funds and unrestricted funds amounted to £1,330,970 at 31 August 2016.

Restricted GAG reserves

The Directors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Directors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 3% and 5% of GAG income and aim to keep the reserve within these parameters. At 31 August 2016 the Trust held GAG reserves of £520,516, which represents 6.6% of the GAG income for the period.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the Trust holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Directors' policy to aim to hold approximately one months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. At 31 August 2016 the level of unrestricted reserves held was £810,454, which is materially within the policy.

Investment policy and powers

The Directors, having due regard to the Charity Commission guidance have approved an Investment Policy delegating the day-to-day management of investments to the Trust Business Manager within the guidelines of the policy. The Trust does not currently hold any investments other than cash, which is held for its normal operations. The Board of Directors has adopted a low risk strategy to its cash holdings and will only invest in low risk deposit accounts. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's investment return with acceptable risk.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The Directors have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to manage the identified risks effectively. A risk register is maintained in which identified risks are recorded and a formal review of the Trust's risk management processes will be undertaken on an annual basis and key controls will be continually improved.

The Directors have identified the leadership and academic standards at St. Cuthbert's Catholic Academy and the potential impact on pupils as a key risk. To mitigate this, an Executive Headteacher will be appointed and Quality Assurance visits will take place with results reported to the Standards Board. The loss of several experienced senior leaders at St Mary's Catholic Academy has also been identified as a risk and the Directors intend to review potential succession planning opportunities.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Financial Regulations. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Board of Directors on a quarterly basis.

The responsible officer role has been performed during the period by Moore & Smalley LLP and three reports have been presented to the Directors. No major issues have been identified. Recommendations for the improvements to systems and procedures have already been implemented or are in the process of being implemented.

Plans for future periods

The next academic year will see a continuation of the work to improve standards and deliver an extensive challenging curriculum and best practice in teaching and learning. We will:

- Implement a challenging spiral English & Literacy curriculum from Key Stage 1 to 5;
- Develop a challenging spiral Religious Education Curriculum from Key Stage 1 to Key Stage 5;
- Implement a stage appropriate professional development curriculum for teachers;
- Develop and share expertise in primary/secondary transition in core subjects as part of an external CPD offer;
- Implement a Healthy Minds, Healthy Mindset Strategy to address mental health and resilience barriers to achievement;
- Implement a recruitment and retention strategy based on a positive ethos, workload reform, professional development and enhanced opportunities for staff.

Auditor

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.

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company Directors, on 7/12/16 and signed on its behalf by:


Mr B Leyland
Chairman

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Blessed Edward Bamber Catholic Multi Academy Trust 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. The Board of Directors has formally met four times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	4	4
Mr S Tierney (Executive Director and Accounting Officer)	4	4
Mr P Desborough	3	4
Mr J Baugh (Resigned 5 April 2016)	2	2
Mrs E Boniface	4	4
Mrs T Gadallah (Resigned 14 June 2016)	3	3
Mrs C Hardy	3	4
Mr M Humphreys	2	4
Mrs E Kelly	2	4
Mr P Marley	3	4
Mrs C Riley	2	4
Father J Winstanley	3	4
Mr R Turpin (Appointed 5 April 2016)	2	2
Mrs S Ridyard	3	4
Mrs M Graham (Appointed 24 February 2016)	0	2

The key challenge for the Board this year was ensuring the academies had the capacity to implement substantial and concurrent curriculum and assessment changes across both the primary, secondary and post-16 phases. The Board achieved this through focusing the work of leaders and teachers to a limited number of high priorities as identified within its Business Plan. The Board has also considered the potential resource implications and impact of the Trust being asked to expand.

An assessment of the Board and Committee effectiveness was undertaken on 13 July 2016 using the Twenty One Questions for Multi Academy Trusts published by the All Party Parliamentary Group for Education Governance and Leadership in March 2015 and A Framework for Governance published by the National Governors' Association and Wellcome Trust published in January 2015. The Directors were able to confirm their effectiveness against the majority of the criteria with some areas identified for improvement as the Trust develops. A skills audit of Directors completed in October 2015 was completed again in October 2016.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Finance, Staffing and Premises Committee met four times during the year to develop and align resources to enhance the capacity of the Trust and its academies to deliver their stated mission and vision. Attendance at meetings during the year was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	4	4
Mr S Tierney (Executive Director and Accounting Officer)	4	4
Mr J Baugh (Resigned 5 April 2016)	1	3
Mrs T Gadallah (Resigned 14 June 2016)	0	4
Mrs C Hardy	4	4
Mrs C Riley	4	4
Mr R Turpin (Appointed 5 April 2016)	0	0
Mrs S Ridyard	3	4
Mrs M Graham (Appointed 24 February 2016)	1	1

The Audit Committee met four times during the year to review the risks to internal financial control at the Trust and agreeing a programme of work to address and provide assurance on those risks. Attendance at meetings during the year was as follows:

Directors	Meetings attended	Out of possible
Mr B Leyland (Chairman)	4	4
Mr S Tierney (Executive Director and Accounting Officer)	4	4
Mr P Desborough	3	4
Mrs S Ridyard	3	4
Mrs M Graham (Appointed 24 February 2016)	1	1

Review of value for money

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

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

- Undertaking a competitive quotation procedure for the procurement of catering services across the three academies to ensure the best value is obtained in terms of quality of food and service as well as price (to be completed in 2016-17 for a contract start in April 2017);
- Purchase and implementation of an online payment system for pupil dinner monies as well as for trips and activities improving the efficiency and effectiveness of income generation;
- Planning a competitive quotation procedure for the procurement of printers/photocopiers to ensure the lowest price is obtained for the clearly specified products to be completed by November 2016.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2016 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Finance, Staffing and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed Moore and Smalley LLP, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of receipt systems
- review of overall controls

On a termly basis, Moore & Smalley LLP reports to the Board of Directors, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

Moore & Smalley LLP have delivered the schedule of work as planned and confirmed that the Trust has made significant progress in the development of consistent systems over the year. All recommendations have been implemented during the year with no material control issues arising.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

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

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

Approved by order of the Board of Directors on 7/12/16 and signed on its behalf by:



Mr B Leyland
Chairman



Mr S Tierney
Executive Director and Accounting Officer

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Blessed Edward Bamber Catholic Multi Academy Trust I have considered my responsibility to notify the academy trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Mr S Tierney
Accounting Officer

7/12/16

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The directors (who also act as trustees for The Blessed Edward Bamber Catholic Multi Academy Trust) are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under company law the directors must not approve the accounts 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 accounts, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of directors on 7/12/16 and signed on its behalf by:



Mr B Leyland
Chairman

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

We have audited the accounts of The Blessed Edward Bamber Catholic Multi Academy Trust for the year ended 31 August 2016 set out on pages 19 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors, who also act as trustees for the charitable activities of The Blessed Edward Bamber Catholic Multi Academy Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



Christine Wilson (Senior Statutory Auditor)
for and on behalf of Moore and Smalley LLP
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

Dated: 9/12/16

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Blessed Edward Bamber Catholic Multi Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Blessed Edward Bamber Catholic Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Blessed Edward Bamber Catholic Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 August 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

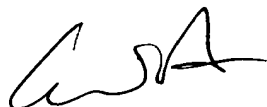
The work undertaken to draw to our conclusion includes an evaluation of the control environment together with appropriate enquiry, analytical review and substantive testing of transactions.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Christine Wilson
Reporting Accountant
Moore and Smalley LLP

Dated: 9/12/16

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

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

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	73,334	272,261	38,048	383,643	97,427
Donations - transfer from local authority on conversion		-	-	-	-	647,053
Charitable activities:						
- Funding for educational operations	3	71,893	9,233,205	-	9,305,098	9,215,471
Other trading activities	4	129,302	11,522	-	140,824	234,140
Investments	5	2,040	-	-	2,040	2,096
Total income and endowments		<u>276,569</u>	<u>9,516,988</u>	<u>38,048</u>	<u>9,831,605</u>	<u>10,196,187</u>
Expenditure on:						
Raising funds	6	40,879	18,000	-	58,879	85,609
Charitable activities:						
- Educational operations	7	151,419	9,116,141	112,834	9,380,394	8,853,265
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	1,758,000
Total expenditure	6	<u>192,298</u>	<u>9,134,141</u>	<u>112,834</u>	<u>9,439,273</u>	<u>10,696,874</u>
Net income/(expenditure)		84,271	382,847	(74,786)	392,332	(500,687)
Transfers between funds		(41,085)	(36,233)	77,318	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(1,097,000)	-	(1,097,000)	(61,000)
Net movement in funds		<u>43,186</u>	<u>(750,386)</u>	<u>2,532</u>	<u>(704,668)</u>	<u>(561,687)</u>
Reconciliation of funds						
Total funds brought forward		767,268	(1,533,585)	204,630	(561,687)	-
Total funds carried forward	15	<u>810,454</u>	<u>(2,283,971)</u>	<u>207,162</u>	<u>(1,266,355)</u>	<u>(561,687)</u>


THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		207,162		204,630
Current assets					
Debtors	12	187,496		165,608	
Cash at bank and in hand		2,110,578		1,443,938	
		<u>2,298,074</u>		<u>1,609,546</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(698,591)		(519,863)	
Net current assets			<u>1,599,483</u>		<u>1,089,683</u>
Net assets excluding pension liability			<u>1,806,645</u>		<u>1,294,313</u>
Defined benefit pension liability	17		(3,073,000)		(1,856,000)
Net assets			<u>(1,266,355)</u>		<u>(561,687)</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			207,162		204,630
- Restricted income funds			789,029		322,415
- Pension reserve			(3,073,000)		(1,856,000)
Total restricted funds			<u>(2,076,809)</u>		<u>(1,328,955)</u>
Unrestricted income funds	15		<u>810,454</u>		<u>767,268</u>
Total funds			<u>(1,266,355)</u>		<u>(561,687)</u>

The accounts set out on pages 19 to 42 were approved by the board of directors and authorised for issue on 7/12/16 and are signed on its behalf by:


 Mr B Leyland
 Chairman

Company Number 09111449

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18	741,918		1,009,961	
Cash funds transferred on conversion		-		647,053	
		<u>741,918</u>		<u>1,657,014</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		2,040		2,096	
Capital grants from DfE and EFA		285,997		38,045	
Capital grants to be used towards revenue expenditure		(247,949)		-	
Payments to acquire tangible fixed assets		<u>(115,366)</u>		<u>(253,217)</u>	
		(75,278)		(213,076)	
Change in cash and cash equivalents in the reporting period		<u>666,640</u>		<u>1,443,938</u>	
Cash and cash equivalents at 1 September 2015		<u>1,443,938</u>		<u>-</u>	
Cash and cash equivalents at 31 August 2016		<u><u>2,110,578</u></u>		<u><u>1,443,938</u></u>	

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Blessed Edward Bamber Catholic Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Blessed Edward Bamber Catholic Multi Academy Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 2 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.3 Conversion to an academy trust

The conversion from the state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Mary's Catholic College, Christ the King Catholic Primary School and St Cuthbert's Catholic Primary School to the academy trust have been valued at their fair value. The fair values have been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed assets funds.

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

In addition, the academy trust inherited the fixtures and fittings and other tangible fixed assets in use by the three schools at the date of conversion. These assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £6,313,364.

1.4 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

The academy trust does not account for the value of donated facilities on the grounds that the market rent is not reasonably quantifiable and measurable.

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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Governance costs

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

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Taxation

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable allocation of the funds. The fund received and paid and any balances held are disclosed in note 22.

1.13 Critical accounting estimates and areas of judgement

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

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

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. As standard, a useful economic life of 3 years is applied to computer equipment and 5 years to fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision. This calculation is based on the financial position of the debtors, the payment history and any ongoing discussions.

Valuation of the Local Government Pension Scheme defined benefit liability

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification of occupied land and buildings owned by the Diocese

The academy trust occupies the land and buildings which are owned by the Lancaster Roman Catholic Diocesan Trust. The trustees are the providers of the academies' land and buildings on the same basis as when the academies were maintained schools. The academy trust company occupies the land and buildings under a licence. The land and buildings are not included in the accounts. Further information on the accounting treatment adopted can be found in the tangible fixed assets accounting policy.

Donated facilities

The market rent of the donated facilities is not reasonably quantifiable or measurable. As such, an estimate of the value of the donation (being the amount it would have to pay if renting the site on the open market) has not been recognised in the financial statements.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership. Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	285,997	285,997	38,045
Other donations	73,334	24,312	97,646	59,382
	<u>73,334</u>	<u>310,309</u>	<u>383,643</u>	<u>97,427</u>

The income from donations and capital grants was £383,643 (2015: £97,427) of which £73,334 was unrestricted (2015: £54,086), £272,261 was restricted (2015: £5,296) and £38,048 was restricted fixed assets (2015: £38,045).

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	7,882,169	7,882,169	7,746,040
Start up grants	-	-	-	75,000
Other DfE / EFA grants	-	617,916	617,916	638,517
	<u>-</u>	<u>8,500,085</u>	<u>8,500,085</u>	<u>8,459,557</u>
Other government grants				
Local authority grants	-	594,710	594,710	446,199
	<u>-</u>	<u>594,710</u>	<u>594,710</u>	<u>446,199</u>
Other funds				
Other incoming resources	71,893	138,410	210,303	309,715
	<u>71,893</u>	<u>138,410</u>	<u>210,303</u>	<u>309,715</u>
Total funding	<u>71,893</u>	<u>9,233,205</u>	<u>9,305,098</u>	<u>9,215,471</u>

The income from funding for educational operations was £9,305,098 (2015: £9,215,471) of which £71,893 was unrestricted (2015: £102,524) and £9,233,205 was restricted (2015: £9,112,947).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	5,202	-	5,202	-
Other income	124,100	11,522	135,622	234,140
	<u>129,302</u>	<u>11,522</u>	<u>140,824</u>	<u>234,140</u>

The income from other trading activities was £140,824 (2015: £234,140) of which £129,302 was unrestricted (2015: £146,132) and £11,522 was restricted (2015: £88,008).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	2,040	-	2,040	2,096
	<u>2,040</u>	<u>-</u>	<u>2,040</u>	<u>2,096</u>

The income from funding for investment income was £2,040 (2015: £2,096) of which £2,040 was unrestricted (2015: £2,096).

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	6,369,210	100,483	687,067	7,156,760	6,834,640
- Allocated support costs	934,637	535,518	753,479	2,223,634	2,018,625
	<u>7,303,847</u>	<u>636,001</u>	<u>1,440,546</u>	<u>9,380,394</u>	<u>8,853,265</u>
Other expenditure					
Raising funds	21,102	-	37,777	58,879	85,609
	<u>21,102</u>	<u>-</u>	<u>37,777</u>	<u>58,879</u>	<u>85,609</u>
Total expenditure	<u>7,324,949</u>	<u>636,001</u>	<u>1,478,323</u>	<u>9,439,273</u>	<u>8,938,874</u>

The expenditure on raising funds was £58,879 (2015: £85,609) of which £40,879 was unrestricted (2015: £39,954) and £18,000 was restricted (2015: £45,655).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	8,438	8,438
- Other services	5,169	8,737
Operating lease rentals	12,751	12,287
Depreciation of tangible fixed assets	112,834	48,587

The academy trust made a donation of £5,780 (2015: £5,000) to The Diocese of Lancaster Education Service as a contribution towards the governance support provided during the year.

Central services

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

- human resources;
- financial services;
- legal services;
- educational support services

The academy trust charges for these services based on 4% of each academy's General Annual Grant funding.

The amounts charged during the year were as follows:	Total £
St Mary's Catholic Academy	241,212
St Cuthbert's Catholic Academy	35,628
Christ the King Catholic Academy	36,820
	<u>313,660</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	22,677	7,134,083	7,156,760	6,834,640
Support costs - educational operations	128,742	2,094,892	2,223,634	2,018,625
	<u>151,419</u>	<u>9,228,975</u>	<u>9,380,394</u>	<u>8,853,265</u>

The expenditure on educational operations was £9,380,394 (2015: £8,853,265) of which £151,419 was unrestricted (2015: £90,811), £9,116,141 was restricted (2015: £8,713,867) and £112,834 was restricted fixed assets (2015: £48,587).

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

(Continued)

	2016 £	2015 £
Analysis of support costs		
Support staff costs	934,637	795,959
Depreciation and amortisation	12,351	3,754
Premises costs	523,167	349,567
Other support costs	734,500	772,300
Governance costs	18,979	97,045
	<u>2,223,634</u>	<u>2,018,625</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	5,799,778	5,579,449
Social security costs	474,291	391,397
Operating costs of defined benefit pension schemes	1,001,304	805,458
	<u>7,275,373</u>	<u>6,776,304</u>
Staff costs	7,275,373	6,776,304
Supply staff costs	49,576	94,507
	<u>7,324,949</u>	<u>6,870,811</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	100	99
Administration and support	162	157
Management	19	17
	<u>281</u>	<u>273</u>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1
	<u>5</u>	<u>5</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £59,571 (2015: £52,646).

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £405,928 (2015: £347,991).

9 Directors' remuneration and expenses

One director has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Director only receives remuneration in respect of services he provides undertaking the role of Executive Director under his contract of employment, and not in respect of his services as director of the trust.

The value of directors' remuneration and other benefits was as follows:

Mr S Tierney (Executive Director):

Remuneration £105,000 - £110,000 (2015: £105,000 - £110,000)

Employer's pension contributions £15,000 - £20,000 (2015: £15,000 - £20,000)

During the year ended 31 August 2016 travel and subsistence expenses totalling £999 were reimbursed to the directors (2015: £nil).

Other related party transactions involving the directors are set out in note 20.

10 Directors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost of the premium is included within the total insurance cost.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2015	206,488	46,729	253,217
Additions	89,387	25,979	115,366
At 31 August 2016	295,875	72,708	368,583
Depreciation			
At 1 September 2015	44,833	3,754	48,587
Charge for the year	100,483	12,351	112,834
At 31 August 2016	145,316	16,105	161,421
Net book value			
At 31 August 2016	150,559	56,603	207,162
At 31 August 2015	161,655	42,975	204,630

12 Debtors

	2016 £	2015 £
VAT recoverable	29,193	52,521
Other debtors	15,704	-
Prepayments and accrued income	142,599	113,087
	187,496	165,608

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	185,163	77
Other taxation and social security	136,631	127,828
Other creditors	14,251	-
Accruals and deferred income	362,546	391,958
	698,591	519,863

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	171,073	112,995
		<u>171,073</u>	<u>112,995</u>
	Deferred income at 1 September 2015	112,995	-
	Released from previous years	(112,995)	-
	Amounts deferred in the year	171,073	112,995
		<u>171,073</u>	<u>112,995</u>
	Deferred income at 31 August 2016	171,073	112,995

At the balance sheet date the trust was holding funds received in advance in respect of the Universal Infant Free School Meals programme, the EFA Rates Relief funding, the Local Authority Children Centre funding and Local Authority PSHE funding. In addition the trust was holding a number of deposits received in respect of school trips scheduled for 2016/17.

15 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	266,951	7,882,169	(7,600,254)	(28,350)	520,516
Other DfE / EFA grants	47,220	865,865	(680,688)	-	232,397
Other government grants	-	594,710	(568,544)	-	26,166
Other restricted funds	8,244	174,244	(164,655)	(7,883)	9,950
	<u>322,415</u>	<u>9,516,988</u>	<u>(9,014,141)</u>	<u>(36,233)</u>	<u>789,029</u>
Funds excluding pensions	322,415	9,516,988	(9,014,141)	(36,233)	789,029
Pension reserve	(1,856,000)	-	(120,000)	(1,097,000)	(3,073,000)
	<u>(1,533,585)</u>	<u>9,516,988</u>	<u>(9,134,141)</u>	<u>(1,133,233)</u>	<u>(2,283,971)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	25,363	38,048	(21,138)	-	42,273
Capital expenditure from GAG and other funds	179,267	-	(91,696)	77,318	164,889
	<u>204,630</u>	<u>38,048</u>	<u>(112,834)</u>	<u>77,318</u>	<u>207,162</u>
Total restricted funds	(1,328,955)	9,555,036	(9,246,975)	(1,055,915)	(2,076,809)
Unrestricted funds					
General funds	767,268	276,569	(192,298)	(41,085)	810,454
Total funds	(561,687)	9,831,605	(9,439,273)	(1,097,000)	(1,266,355)

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

General Annual Grant must be used for the normal running expenses of the trust and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include Pupil Premium funding and grants received in respect of the nurseries and Children's Centre.

Other restricted funds include contributions received for school trips and non public donations.

The pension reserve represents the value of the trust's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited on conversion was £1,758,000 and this had increased to £3,073,000 by 31 August 2016.

Restricted fixed asset funds include assets funded from capital grants and out of the GAG. Depreciation is to be charged against this fund each year.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
St Mary's Catholic Academy	913,847
St Cuthbert's Catholic Academy	351,668
Christ the King Catholic Academy	231,321
Central services	102,647
	<hr/>
Total before fixed assets fund and pension reserve	1,599,483
	<hr/>
Restricted fixed asset fund	207,162
Pension reserve	(3,073,000)
	<hr/>
Total funds	(1,266,355)
	<hr/> <hr/>

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Mary's Catholic Academy	4,502,037	503,865	335,768	918,687	6,260,357
St Cuthbert's Catholic Academy	944,749	156,047	92,716	270,907	1,464,419
Christ the King Catholic Academy	805,562	40,297	81,784	272,141	1,199,784
Central services	137,964	234,428	3,501	25,986	401,879
	<u>6,390,312</u>	<u>934,637</u>	<u>513,769</u>	<u>1,487,721</u>	<u>9,326,439</u>

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	207,162	207,162
Current assets	823,725	1,474,349	-	2,298,074
Creditors falling due within one year	(13,271)	(685,320)	-	(698,591)
Defined benefit pension liability	-	(3,073,000)	-	(3,073,000)
	<u>810,454</u>	<u>(2,283,971)</u>	<u>207,162</u>	<u>(1,266,355)</u>

17 Pensions and similar obligations

The academy trust'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 Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £104,713 (2015: £94,329) were payable to the schemes at 31 August 2016 and are included within creditors.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £634,650 (2015: £517,562).

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

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

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.3% for employers and 5.5% - 12.5% for employees.

The trust has entered into an agreement to make contributions towards the deficit of £85,700 between April 2016 and March 2017.

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.

Total contributions made	2016 £	2015 £
Employer's contributions (rounded)	246,000	290,000
Employees' contributions (rounded)	80,000	72,000
Total contributions	326,000	362,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.3	3.8
Rate of increase for pensions in payment	1.9	2.3
Discount rate	2.1	4.0
Inflation assumption (CPI)	1.8	2.3

Sensitivity analysis at 31 August 2016:

	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 1 yr increase in life expectancy £000
Liabilities	4,499	4,394	4,606	4,578
Assets	(1,426)	(1,426)	(1,426)	(1,426)
Deficit/(surplus)	3,073	2,968	3,180	3,152

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	23.0	22.9
- Females	25.6	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.9	27.8

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	550,000	303,000
Government bonds	-	48,000
Other bonds	36,000	23,000
Cash/liquidity	50,000	12,000
Property	135,000	81,000
Other assets	655,000	416,000
Total market value of assets	1,426,000	883,000

Actual return on scheme assets - gain/(loss)	256,000	29,000
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Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	291,000	258,000
Net interest cost	70,000	64,000
Administrative expenses	5,000	5,000
Total operating charge	366,000	327,000

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2016	
	£	
Obligations at 1 September 2015	2,739,000	
Current service cost	291,000	
Interest cost	111,000	
Employee contributions	80,000	
Actuarial loss	1,312,000	
Benefits paid	(34,000)	
At 31 August 2016	4,499,000	
Changes in the fair value of the academy trust's share of scheme assets	2016	
	£	
Assets at 1 September 2015	883,000	
Interest income	41,000	
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	215,000	
Employer contributions	246,000	
Employee contributions	80,000	
Benefits paid	(34,000)	
Administrative expenses	(5,000)	
At 31 August 2016	1,426,000	
18 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	392,332	(500,687)
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	1,110,947
Capital grants from DfE/EFA and other capital income	(285,997)	(38,045)
Capital grants to be used towards revenue expenditure	247,949	-
Investment income	(2,040)	(2,096)
Defined benefit pension costs less contributions payable	50,000	(27,000)
Defined benefit pension net finance cost/(income)	70,000	64,000
Depreciation of tangible fixed assets	112,834	48,587
(Increase)/decrease in debtors	(21,888)	(165,608)
Increase/(decrease) in creditors	178,728	519,863
Net cash provided by operating activities	741,918	1,009,961

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	9,672	10,610
Amounts due in two and five years	8,330	17,563
	<u>18,002</u>	<u>28,173</u>

20 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the period the trust received a sponsorship grant of £1,500 (2015: £43,500) and capital funding of £7,882 (2015: £nil) from The Diocese of Lancaster Education Service. The academy trust paid a contribution towards governance support to The Diocese of Lancaster Education Service amounting to £5,780 (2015: £5,000), along with training and conference fees amounting to £560 (2015: £nil). No amounts were outstanding at 31 August 2016 or 31 August 2015. The transactions are in accordance with the academy trust's financial regulations. In entering into the transactions the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

21 Members' liability

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

22 Agency arrangements

The trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £16,077 and disbursed £14,251 from the fund. An amount of £1,826 is included in other creditors relating to undistributed funds that are repayable to the EFA.

THE BLESSED EDWARD BAMBER CATHOLIC MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of funds for the previous financial period

	2 July 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	-	(561,687)
	=====	=====

Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(561,687)
	=====

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 2 July 2014 or 31 August 2015. The effect of the change has been to increase the charge to expenditure by £13,000 and to reduce the debit in other recognised gains and losses in the SOFA by the equivalent amount.