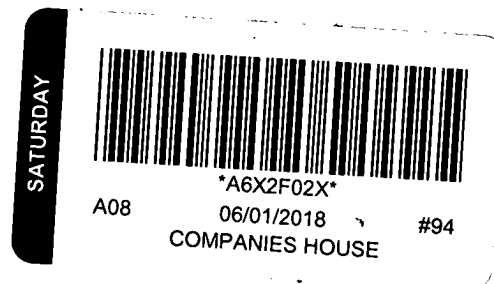


ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

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ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Rt Rev Bishop PJH Doyle, Bishop of Northampton Duns Scotus Trust St Bonaventure Trust
Trustees	Mr K McGinnell (resigned 19 September 2016) Mr PD Williams MBE JP, Chairman Ms CV McCarron Mr TJ Redding, Accounting Officer Mr C Atkin Rev B Seery (resigned 25 July 2017) Mr N Roseman (resigned 25 July 2017) Ms C Curtis Ms R Jones (resigned 25 July 2017) Mr A Lee (appointed 1 March 2017) Ms C Leong (appointed 1 March 2017)
Company registered number	09980467
Company name	St Thomas of Canterbury Catholic Academies Trust
Principal and registered office	33 Westbourne Road Luton Bedfordshire LU4 8JD
Comprising	Thomas Becket Catholic School St Gregory's Catholic Primary School St Mary's Catholic Primary School The Good Shepherd Catholic Primary School
Senior management team	Mr J Davis, Acting Headteacher Thomas Becket Catholic School From 1 September 2016, Resigned 26 May 2017 Mr C Stapleton, Headteacher Thomas Becket Catholic School from 29 May 2017 Mr M Wilson, Headteacher St Mary's Catholic Primary School (Resigned 31 August 2017) Ms C Dodds, Acting Headteacher St Mary's Primary School from 1 September 2017 Mr M Lowe, Headteacher The Good Shepherd Catholic Primary School Ms N Rolph, Acting Headteacher St Gregory's Catholic Primary School from 1 September 2016 Ms C Capel, CEO St Thomas of Canterbury Catholic Academies Trust from 20 February 2017 Mr J Davis, Finance Officer St Thomas of Canterbury Catholic Academies Trust from 1 April 2017

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers Lloyds Bank
George Row
Northampton
NN1 1DJ

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The academy trust was incorporated on 1 February 2016 and as from 1 April 2016 operates four academies for pupils aged 3 to 18 serving Northampton and the surrounding areas. The four schools, Thomas Becket, St Gregory's Primary School, St Mary's Primary School and The Good Shepherd Primary School, were formerly voluntary aided schools and converted to academy status on that date. They have pupil capacity and rolls as at the time of signing of this report.

	Capacity	Roll
Thomas Becket Catholic School	1,136	634
St Gregory's Catholic Primary School	420	397
St Mary's Catholic Primary School	210	208
The Good Shepherd Catholic Primary School	420	380

Structure, governance and management

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association, dated 1 February 2016, are the primary governing documents of the Academy Trust.

The trustees of St Thomas of Canterbury Catholic Academies Trust are also the directors of the charitable company for the purpose of company law.

Details of the trustees who served throughout the year 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.

Trustees' Indemnities

Trustees benefit from indemnity insurance arranged as part of the Government Risk Protection Arrangement, to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the period is not separately identifiable.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed by the Duns Scotus Trust or are elected or co-opted under the terms of the Articles of Association and in accordance with the terms of the Duns Scotus Trust as member of the charitable company.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All new Trustees will be given a tour of the Academy Schools and the opportunity to meet staff and pupils. They are given access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents which they need to undertake their role as Trustees.

ORGANISATIONAL STRUCTURE

The Academy Trust operates through a board of Directors who are responsible for the strategic direction and leadership of those member schools. Each individual school has its own Headteacher, whose role includes leading on standards, learning and teaching and also nurturing the Catholic ethos of the school. Each school is also overseen by a school committee which hold a role similar to a local Governing Body and reports up to the main Board. There are also three sub-committees of the main Board which focus of one of the core areas of standards, finance and property and Catholic life.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

No trustees receive any remuneration in their role as Directors of the Trust. The salaries of Headteachers and other senior leaders have been set in accordance with local authority pay scales.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The trustees are appointed with approval by the Duns Scotus Trust and the Bishop of Northampton in accordance with the Articles of Association. They also occupy land and buildings owned by The Northampton Roman Catholic Diocese Trustee. Otherwise there are no related parties which either control or significantly influence the decisions and operations of the Academy Trust, although it works with the Duns Scotus Trust and The Northampton Roman Catholic Diocese Trustee in pursuit of the charitable activities.

Objectives and Activities

OBJECTS AND AIMS

The Company's objects ("the Objects") are specifically restricted to the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper and in particular by the establishing, maintaining, carrying on, managing and developing of Catholic schools in the United Kingdom conducted in accordance with the principles, and subject to the regulations and discipline of the Catholic Church.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy Trust's main strategy is to provide Catholic education for the culturally diverse population of the town of Northampton and its surrounding areas. Its aims are to put procedures in place to ensure that standards and achievements are continually raised.

PUBLIC BENEFIT

The directors of the Academy Trust have complied with their duty to have high regard to the guidance on public benefit, published by the Charity Commission. They believe that the activities of the Trust have a positive impact on the pupils in the constituent schools and on the wider community.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic Report

The multi-academy trust is grateful for the unstinting efforts of its volunteer directors and local governing body members. It is estimated that over 1,200 volunteer hours were provided during the year. If this is conservatively valued at £95 per hour, the volunteer effort amounts to over £114,000.

Achievements and performance

Thomas Becket Catholic School

Thomas Becket School is in transition. Following two consecutive Head Teachers over the period from 2016-17, the School's self-evaluation would judge itself to be Good for Leadership and Management (with a new Head Teacher seconded from St Joseph's Catholic High School, Slough and support from the Leadership team there), Good for Inclusion, Behaviour and Well Being (Attendance is improving and exclusions are falling and numbers have risen from 621 in September to 634 in November 2017 indicating a halt in the decline in the student cohort), Requires Improvement for Outcomes (whole cohort Progress 8 in 2017 was - 0.39 (2016 - 0.09).

Disadvantaged pupil progress was below floor standard at -0.76. However, internal data from September suggests outcomes are improving.

Learning and Teaching is also self-evaluated to be Requires Improvement. Whilst there is plenty to do, an erudite School Improvement Plan is in place, progress is being made towards stronger standards and the school's judgements were reinforced by a visit from the Department For Education at the request of the Regional Schools Commissioner, the regulatory body with oversight of standards in academies in November 2017 following concern over the school's direction raised by the Directors of the Trust, which confirmed that issues within the school had been correctly identified and effective strategies to address these were in place.

The school's capacity for improvement is currently reliant on the on-going support from the St Peter Catholic Academy Trust based in Slough within the Northampton Diocese and who have committed to help the School raise standards over the next 20 months.

St Gregory's Catholic Primary School

Niamh Rolph was appointed Acting Headteacher, with effect from 1 September 2016.

Year 6 results at St Gregory's have increased by 20% in the past year and children throughout the school continue to make good progress towards their age related expectations. Progress is especially good in maths, with an increasing number of children in all year groups working at greater depth. Reading remains an area of focus, as does the progress and attainment of children with additional educational needs.

Progress and attainment in our Early Years is in line with national, and our year 1 children achieved just 1% below the national average in their phonics test. We continue to increase in numbers, including in our nursery. Our nursery has introduced an option for children to be educated in line with the new 30 hours funding arrangements, which is going well so far. Children in nursery now receive more formal teaching in phonics, numeracy and writing, as well as activities to support progress towards early learning goals. This is the result of more formal links with our Foundation Stage team.

We are pleased with the impact of our teacher training last year, which focused on moderation and standardisation of practice, as well as on ensuring more rigorous assessment procedures. This led to more accurate teacher assessments, which were exactly in line with the judgements of external moderation and were verified by the SATS results. This year, our CPD will focus on mastery and greater depth in maths, reading and

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

writing. We aim to ensure teachers understand the criteria for greater depth as well as being trained in how best to provide opportunities for challenge and extension.

The behaviour and compassion of our children is a real strength of the school. They are caring and compassionate towards each other in school and each year group completes a project to show compassion to a specific sector of society.

We aim to ensure outcomes throughout the school continue to improve for all children, especially for disadvantaged pupils, those with additional needs and the more able. We also aim to ensure improved provision for our SEND children.

St Mary's Catholic Primary School

The school is currently at 208 pupils with a capacity for 210. Spaces are in year 6 with waiting lists for most other year groups. The number of Catholic pupils at the school currently stands at 38%.

Pupils in year 6 achieved significantly above the national in Mathematics at key stage 2. Reading and Writing although showed an increase on last year's result were below national and as a result so was the school's combined results.

Since September 2017 the school has moved to Target Tracker which is a new assessment system and CPD for the coming year will be focusing on all areas of learning across the school and looking closely at assessment to ensure that improvements are made.

A new school library was opened in September 2017. New books have been arriving over recent weeks and the children are excited about the new space. We are hoping that with the breadth of books available children will continue to improve their skills in reading.

Mark Wilson resigned his post as Headteacher with effect from 31 August 2017, being replaced by Carmel Dodds as Acting Headteacher from that date.

The Good Shepherd Catholic Primary School

Children in Reception made good progress during the year. Outcomes in Key Stage 1 were around the National Average with Phonics in Key Stage 1 showing positive progress. Results in Key Stage 2 were less than expected but above the government floor standards.

The school was judged to be good during its Section 48 (RE) inspection in May 2017 with children's spiritual, moral and social development being very good. This was reflected in the attitude and behaviour of all the children which was excellent. Provision for RE was good with the school showing a clear capacity for further improvement.

The Good Shepherd continued to strengthen its sporting reputation. Many of the sports teams have excelled with the Year 5 girls' cross-country team winning the Northamptonshire Schools cross-country competition. The school also achieved the Silver Award for school sports and was also a finalist in the Northamptonshire Sports Primary School of the Year awards.

During the coming year CPD will focus on improving the quality of teaching and learning including the use of assessment systems. We also aim to develop the provision of a forest school within the school grounds as well as making changes to our provision in the Foundation Stage.

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

KEY PERFORMANCE INDICATORS

Performance Indicator KS 2	St Mary's	St Gregory's	The Good Shepherd	Northants	National
Progress in: Reading	+0.3 average	-2.0 below average	+1.3 average	-1	0
Writing	-3.1 well below average	-0.7 average	-0.1 average	-0.9	0
Maths	+1.1 average	-0.4 average	-1.6 average	-1.2	0
% reaching expected standard in Reading, Writing and Mathematics	48%	50%	49%	57%	61%
% reaching higher levels in Reading, Writing and Mathematics	0%	7%	5%	7%	9%
Average scaled score in: Reading	102	101	102	103	104
Mathematics	103	103	103	103	104

Performance Indicator	Thomas Becket	National
Progress 8	-0.39 below average	-0.03
Attainment 8	38.3	46
Grade 5 or above in English and Maths GCSEs	28%	42.2%
% of pupils staying in education or employment after school	95%	94%

GOING CONCERN

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

Financial review

Most of the academy's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of the recurrent grants, the use of which is restricted to particular purposes. Pupil premium funding is also received from the ESFA and other grants, such as Special Educational Statemented Funding, is received from the Local Authority. In accordance with SORP (Statement of Recommended Practice), these sources of funding are shown in the Statement of Financial Activities (SOFA) as Restricted Funds.

During the period, income totalled £9,231,898 and expenditure £9,015,325 giving a surplus of £216,573.

At 31 August 2017, the net book value of tangible fixed assets totalled £428,214. The assets are used exclusively for providing education and the associated support services to the pupils of the academy trust.

RESERVES POLICY

The trustees review the reserve levels of each member school and monitor the overall reserves under the control of the Academy Trust. This review examines the income and expenditure streams against the forecasts to match commitments and to identify or forecast any potential shortfall.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees are mindful that the Academy Trust needs to maintain an appropriate level of reserves, to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected expenditure or emergencies. The Trustees will continue to keep reserves subject to constant and ongoing review.

INVESTMENT POLICY

The Academy Trust will be looking to optimise cashflow while maximising the return on investments in a safe and secure manner. As such the Directors will look at ways of placing surplus cash on deposit.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust and the four schools operate within the funding constraints available to them. As such funding is reliant on pupil numbers at the schools and so the focus of Trustees is on ensuring that the standards, results and reputation of the schools is of such a high quality that they are attractive to parents looking for high quality education for their children.

Trustees are also committed to ensuring that the schools are a safe environment for staff and students.

Plans for future periods

The Board of Trustees are focusing its work in three main areas:

STANDARDS

School improvement partners have been appointed to work with all of the schools to raise standards.

FINANCE AND PROPERTY

The directors are considering a number of strategies to reduce costs across the Trust. The focus will be at looking at all contracts and services within the schools to try and ensure that where possible the schools work together to achieve better terms and prices and share skills across the schools. The condition of buildings and facilities will also be examined and improved within the constraints of available funding streams. Regrettably, a consequence of this is that staffing levels also are being reviewed, particularly in non-teaching posts. During the year a full time Finance Officer has been appointed at Trust level to lead this work, and also to set up the reporting systems to enable in particular the Directors and Headteachers to fulfil their responsibilities.

CATHOLIC LIFE

Trustees will work with the schools to ensure that a Catholic Ethos is at the heart of all that is being achieved.

FUNDS HELD AS CUSTODIAN TRUSTEE

No funds are held by St Thomas of Canterbury Catholic Academies Trust on behalf of others.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

DISCLOSURE OF INFORMATION TO AUDITOR

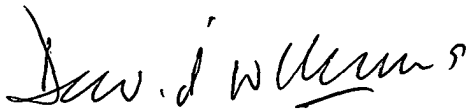
In so far as the trustees are aware:

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

AUDITOR

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Board of Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 19 December 2017 and signed on its behalf by:



Mr P D Williams
Chair of Trustees

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to Mr T J Redding, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Thomas of Canterbury Catholic Academies Trust and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. As part of this process, a full time finance officer has been appointed to the Trust, to whom day-to-day activities have been delegated, subject to regular reporting to the Accounting Officer and to the Trust Board.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mgr K McGinnell	0	0
Mr PD Williams MBE JP, Chairman	9	9
Ms CV McCarron	8	9
Ms R Jones	3	9
Mr TJ Redding, Accounting Officer	8	9
Mr C Atkin	8	9
Rev B Seery	8	9
Mr N Roseman	7	9
Ms C Curtis	9	9
Ms C Leong	3	4
Mr A Lee	3	4

The Board continue to review their make-up and consider what additional skills are required to supplement the existing membership.

Governance reviews

The Board continue to review the governance of the Trust. This is a continuing process.

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. In pursuit of this a full review of contracts and suppliers currently in place has commenced with a view to maximising value for money where possible.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the St Thomas of Canterbury Catholic Academies Trust for the period from 1 April 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements, including a continuous review of a risk register highlighting the major risks faced by the Trust.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed and continues to review 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 trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy 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 trustees;
- regular reviews by the general purpose 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On an annual basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Accounting 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 external auditor;

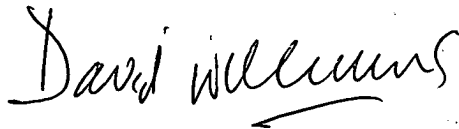
The Accounting Officer has been advised of the implications of the result of their review of the system of internal

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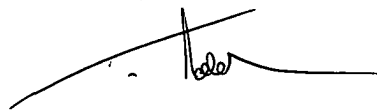
GOVERNANCE STATEMENT (continued)

control by the external auditor and a plan to address weaknesses and ensure continuous improvement of the system is being put in place.

Approved by order of the members of the Board of Trustees on 19 December 2017 and signed on their behalf, by:



Mr P D Williams
Chair of Trustees



T J Redding
Accounting Officer

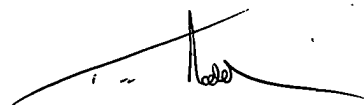
ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of the St Thomas of Canterbury Catholic Academies Trust I have considered my responsibility to notify the academy trust board of trustees 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



T J Redding
Accounting Officer

Date: 19 December 2017

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 19 December 2017 and signed on its behalf by:



P D Williams
Chair of Trustees

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST

OPINION

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

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 21 December 2017

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Thomas of Canterbury Catholic Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST'S AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of St Thomas of Canterbury Catholic Academies Trust's funding agreement with the Secretary of State for Education dated 31 March 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate and;
- making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: *21 December 2017*

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

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

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	As restated Total funds 5 months ending 31 August 2016
	Note	2017 £	2017 £	2017 £	2017 £	2016 £
INCOME FROM:						
Donations & capital grants:						
Inherited on conversion to an Academy Trust	2	-	-	-	-	(1,167,596)
Other donations and capital grants	2	32,208	113,958	439,216	585,382	47,533
Charitable activities:	3					
Funding for the Academy Trust's educational operations		-	8,506,785	12,909	8,519,694	3,826,802
Other trading activities	4	63,985	61,715	-	125,700	32,572
Investments	5	1,122	-	-	1,122	399
TOTAL INCOME		97,315	8,682,458	452,125	9,231,898	2,739,710
EXPENDITURE ON:						
Raising funds		148,789	202,745	-	351,534	327,431
Charitable activities:						
Academy Trust educational operations		-	8,591,013	72,778	8,663,791	3,479,304
TOTAL EXPENDITURE	6	148,789	8,793,758	72,778	9,015,325	3,806,735
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(51,474)	(111,300)	379,347	216,573	(1,067,025)
Transfers between funds	17	(24,429)	(69,495)	93,924	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(75,903)	(180,795)	473,271	216,573	(1,067,025)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	871,000	-	871,000	(1,044,000)
NET MOVEMENT IN FUNDS		(75,903)	690,205	473,271	1,087,573	(2,111,025)
RECONCILIATION OF FUNDS:						
Total funds brought forward		711,270	(3,178,437)	356,142	(2,111,025)	-
TOTAL FUNDS CARRIED FORWARD		635,367	(2,488,232)	829,413	(1,023,452)	(2,111,025)

The notes on pages 23 to 45 form part of these financial statements.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 09980467**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	As restated 2016 £
FIXED ASSETS					
Tangible assets	13		428,214		356,142
CURRENT ASSETS					
Debtors	14	495,304		737,541	
Cash at bank and in hand		1,773,395		944,059	
		<u>2,268,699</u>		<u>1,681,600</u>	
CREDITORS: amounts falling due within one year	15	<u>(805,365)</u>		<u>(656,767)</u>	
NET CURRENT ASSETS			<u>1,463,334</u>		<u>1,024,833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,891,548</u>		<u>1,380,975</u>
Defined benefit pension scheme liability	23	(2,915,000)			(3,492,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(1,023,452)</u>		<u>(2,111,025)</u>
FUNDS OF THE ACADEMY					
Fixed asset fund:					
Restricted income funds	17	426,768		313,563	
Restricted fixed asset funds	17	<u>829,413</u>		<u>356,142</u>	
Restricted income funds excluding pension liability		<u>1,256,181</u>		<u>669,705</u>	
Pension reserve	23	<u>(2,915,000)</u>		<u>(3,492,000)</u>	
Total fixed asset fund			<u>(1,658,819)</u>		<u>(2,822,295)</u>
Unrestricted income funds	17		<u>635,367</u>		<u>711,270</u>
TOTAL DEFICIT			<u>(1,023,452)</u>		<u>(2,111,025)</u>

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:



**P D Williams, Chairman
Chair of Trustees**

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	551,347	866,430
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,122	399
Purchase of tangible fixed assets		(144,849)	(42,896)
Capital grants from DfE/ESFA		439,216	-
Cash inherited on conversion		-	50,126
Net cash provided by investing activities		295,489	7,629
Cash flows from financing activities:			
Repayments of borrowings		(17,500)	-
Cash inflows from new borrowing		-	70,000
Net cash (used in)/provided by financing activities		(17,500)	70,000
Change in cash and cash equivalents in the year		829,336	944,059
Cash and cash equivalents brought forward		944,059	-
Cash and cash equivalents carried forward	20	1,773,395	944,059

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

St Thomas of Canterbury Catholic Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

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

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

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

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 receipt is probable and it is measurable.

Donations

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

Other Income

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

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Fixtures and fittings	-- over 10 years
Computer equipment	- over 3 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.

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

1. ACCOUNTING POLICIES (continued)

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased Assets

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

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

1. ACCOUNTING POLICIES (continued)

1.11 Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.14 Licence to occupy

The Northampton Roman Catholic Diocese Trust own the freehold interest in the land and buildings which are occupied by the academy trust on a rent free licence. Full detail of the arrangement are detailed in note 13.

The directors have considered the guidance in the Academies Accounts Direction 2016 to 2017 paragraph 8.7.5 in relation to properties occupied under licence. Having considered the arrangements under which the academy trust is occupying land and buildings, for the reasons given in note 13, the directors have concluded that the arrangement should not be included as an asset on the balance sheet nor any notional rental expense for the donated use of the land and buildings. The directors have not included any value of land, buildings or donated services in the financial statements.

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	As restated Total funds 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	2017 £	£
Inherited on conversion to an Academy Trust	-	-	-	-	(1,167,596)
Donations	32,208	113,958	-	146,166	47,533
Capital Grants	-	-	439,216	439,216	-
Capital grants	32,208	113,958	439,216	585,382	47,533
	32,208	113,958	439,216	585,382	(1,120,063)
<i>Total 5 months ending 31 August 2016</i>	900,066	(2,360,767)	340,638	(1,120,063)	

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds	Total funds 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	£
DfE/ESFA grants				
General annual grant (GAG)	-	7,528,186	7,528,186	3,207,355
Other DfE/ESFA grants	-	184,788	184,788	132,410
Start Up Grants	-	-	-	102,000
Pupil premium	-	448,573	448,573	195,827
	-	8,161,547	8,161,547	3,637,592
Other government grants				
GUTP income and teacher recharges	-	-	-	4,717
Local authority grants	-	180,233	180,233	97,847
NCC Nursery grant	-	165,005	165,005	44,728
	-	345,238	345,238	147,292
Other funding				
Other income	-	12,909	12,909	41,918
	-	12,909	12,909	41,918
	-	8,519,694	8,519,694	3,826,802
<i>Total 5 months ending 31 August 2016</i>	-	3,826,802	3,826,802	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	£
Hire of facilities and other services	63,985	61,715	125,700	32,572
<i>Total 5 months ending 31 August 2016</i>	25,935	6,637	32,572	

ST THOMAS OF CANTERBURY CATHOLIC ACADEMIES TRUST
(A company limited by guarantee)

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

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds	Total funds 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	£
Bank interest receivable	1,122	-	1,122	399
<i>Total 5 months ending 31 August 2016</i>	399	-	399	

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	As restated Total 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	2017 £	£
Expenditure on raising voluntary income	-	745	205,113	205,858	311,659
Expenditure on fundraising trading	65,733	2,989	76,954	145,676	15,772
Academy Trust's educational operations:					
Direct costs	5,651,622	-	793,652	6,445,274	2,696,923
Allocated support costs	1,141,503	488,981	588,033	2,218,517	782,381
	6,858,858	492,715	1,663,752	9,015,325	3,806,735
<i>Total 5 months ending 31 August 2016</i>	2,800,141	202,744	803,850	3,806,735	

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7. CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total	As restated Total 5 months ending 31 August 2016
	2017 £	2017 £	2017 £	£
Educational operations	6,445,274	2,218,517	8,663,791	3,444,304
<i>Total 5 months ending 31 August 2016</i>	<u>2,696,923</u>	<u>747,381</u>	<u>3,444,304</u>	

Analysis of support costs

	2017 £	As restated 5 months ending 31 August 2016 £
Support staff costs	1,141,503	178,501
Depreciation	72,778	27,392
Technology costs	52,349	21,527
Premises costs	489,506	202,744
Other support costs	449,981	304,967
Governance costs	12,400	12,250
Total support costs	<u>2,218,517</u>	<u>747,381</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	5 months ending 31 August 2016 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	72,778	27,392
Fees payable to auditor for - audit	8,500	8,500
Fees payable to auditor for - other services	3,900	3,750
Operating lease rentals	<u>43,644</u>	<u>27,546</u>

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9. STAFF

Staff costs

Staff costs were as follows:

	2017	As restated 5 months ending 31 August 2016
	£	£
Wages and salaries	5,024,542	2,127,514
Social security costs	437,930	182,909
Operating costs of defined benefit pension schemes	1,101,919	378,447
	<u>6,564,391</u>	<u>2,688,870</u>
Supply teacher costs	252,028	108,933
Staff restructuring costs	42,439	2,338
	<u>6,858,858</u>	<u>2,800,141</u>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totaling £42,439 (2016: £2,338). Individually, the payment were £31,339 and £11,100 (2016: £2,338).

Staff numbers

The average number of persons employed by the Academy Trust during the period was as follows:

	2017	2016
	No.	No.
Teachers	87	90
Administration and teaching support	151	153
Management	10	16
	<u>248</u>	<u>259</u>

Higher paid staff

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

	2017	5 months ending 31 August 2016
	No.	No.
In the band £60,001 - £70,000	3	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for this member of staff amounted to £31,512.

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NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees 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 £351,164 (2016: £326,315).

10. CENTRAL SERVICES

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

- Legal and professional services
- Computer software services

The Academy Trust charges for these services on the following basis:

Initially allocated against the MAT start up grant received during the period, in 2017 the amount was allocated according to pupil numbers.

The actual amounts charged during the year were as follows:

	2017	5 months ending 31 August 2016
	£	£
St Mary's Catholic Primary School	21,000	15,731
St Gregory's Catholic Primary School	37,000	15,731
The Good Shepherd Catholic Primary School	34,500	15,731
Thomas Becket Catholic School	75,000	15,731
	167,500	62,924
Total		

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
C Atkin	Remuneration	N/A	0-5,000
	Pension contributions paid	N/A	0-5,000

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

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12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 September 2016	248,811	134,723	383,534
Additions	114,801	30,049	144,850
At 31 August 2017	363,612	164,772	528,384
Depreciation			
At 1 September 2016	8,682	18,710	27,392
Charge for the year	26,222	46,556	72,778
At 31 August 2017	34,904	65,266	100,170
Net book value			
At 31 August 2017	328,708	99,506	428,214
At 31 August 2016	240,129	116,013	356,142

License to occupy

The Northampton Roman Catholic Diocese Trust own the freehold interest in the land and buildings which are occupied by the academy trust on a rent free licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Roman Catholic Diocese contribution 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 for the time being, but does not vest any rights over the land in the academy Trust, the terms of which have been agreed between the Secretary of State and the Roman Catholic Diocese. This agreement can be revoked at any time and included in the agreement is a termination clause with the Roman Catholic Diocese giving two years notice. The trustees have concluded that the land and buildings should not be recognised as an asset of the academy as the academy trust does not control the asset.

The financial statements do not reflect any notional rental expense for the donated use of the land and buildings as the trustees have concluded that no reliable figure can be measured for this donation as there are no rental premises for academy operations which are considered to be comparable and reliably measured.

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14. DEBTORS

	2017 £	2016 £
Trade debtors	10,282	12,708
Other debtors	144,076	548,023
Prepayments and accrued income	340,946	176,810
	<u>495,304</u>	<u>737,541</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other loans	52,500	70,000
Trade creditors	318,926	229,210
Other taxation and social security	107,126	114,574
Other creditors	53,644	36,817
Accruals and deferred income	273,169	206,166
	<u>805,365</u>	<u>656,767</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	88,195	-
Resources deferred during the period	106,415	88,195
Amounts released from previous years	(88,195)	-
Deferred income at 31 August 2017	<u>106,415</u>	<u>88,195</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips taking place in 2017/18 and grants received in advance for 2017/18.

Included within other loans is a loan of £52,500 (2016: £70,000) from Northamptonshire County Council transferred on conversion which is repayable within one year. There is no interest due on this loan.

16. PRIOR YEAR ADJUSTMENT

The Financial Statements have been restated to incorporate the defined benefit pension scheme liability, this was omitted from the prior year accounts due to the pension valuation not being received until after the Financial Statements were signed.

A prior year adjustment has been made to the pension liability, restricted income and restricted expenditure. The change has resulted in the net assets of the company reducing by £3,492,000, income reducing by £2,392,000, expenditure increasing by £56,000 and actuarial loss of £1,044,000 being recognised for the year ended 31 August 2016.

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17. STATEMENT OF FUNDS

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	711,270	97,315	(148,789)	(24,429)	-	635,367
Restricted funds						
General Annual Grant (GAG)	189,937	7,528,186	(7,440,565)	(69,495)	-	208,063
Pupil premium	35,934	448,573	(416,812)	-	-	67,695
Other ESFA/DfE grants	19,390	179,388	(154,504)	-	-	44,274
Recharges	-	61,716	(61,716)	-	-	-
Miscellaneous restricted	2,971	14,287	(12,001)	-	-	5,257
Parental contributions	-	105,069	(98,598)	-	-	6,471
Local authority grants	34,294	180,234	(141,608)	-	-	72,920
Start up grant	26,898	-	(23,898)	-	-	3,000
NCC Nursery grant	4,139	165,005	(150,056)	-	-	19,088
Pension reserve	(3,492,000)	-	(294,000)	-	871,000	(2,915,000)
	<u>(3,178,437)</u>	<u>8,682,458</u>	<u>(8,793,758)</u>	<u>(69,495)</u>	<u>871,000</u>	<u>(2,488,232)</u>
Restricted fixed asset funds						
Capital income transferred from LA	313,246	-	(65,494)	-	-	247,752
Other capital expenditure	42,896	2,909	(6,867)	131,939	-	170,877
DfE/ESFA capital grants	-	439,216	-	(38,015)	-	401,201
Big Lottery Fund Grant	-	10,000	(417)	-	-	9,583
	<u>356,142</u>	<u>452,125</u>	<u>(72,778)</u>	<u>93,924</u>	<u>-</u>	<u>829,413</u>
Total restricted funds	<u>(2,822,295)</u>	<u>9,134,583</u>	<u>(8,866,536)</u>	<u>24,429</u>	<u>871,000</u>	<u>(1,658,819)</u>
Total of funds	<u>(2,111,025)</u>	<u>9,231,898</u>	<u>(9,015,325)</u>	<u>-</u>	<u>871,000</u>	<u>(1,023,452)</u>

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR AS RESTATED

	Balance at 1 February 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	-	926,400	(215,130)	-	-	711,270
	<u>-</u>	<u>926,400</u>	<u>(215,130)</u>	<u>-</u>	<u>-</u>	<u>711,270</u>
Restricted funds						
General Annual Grant (GAG)	-	3,207,355	(2,974,522)	(42,896)	-	189,937
Pupil premium	-	195,827	(159,893)	-	-	35,934
Other ESFA/DfE grants	-	132,410	(113,020)	-	-	19,390
Recharges	-	4,717	(4,717)	-	-	-
Miscellaneous restricted	-	67,857	(64,886)	-	-	2,971
Parental contributions	-	11,931	(11,931)	-	-	-
Local authority grants	-	97,847	(63,553)	-	-	34,294
Start up grant	-	102,000	(75,102)	-	-	26,898
NCC Nursery grant	-	44,728	(40,589)	-	-	4,139
Pension reserve	-	(2,392,000)	(56,000)	-	(1,044,000)	(3,492,000)
	<u>-</u>	<u>1,472,672</u>	<u>(3,564,213)</u>	<u>(42,896)</u>	<u>(1,044,000)</u>	<u>(3,178,437)</u>
Restricted fixed asset funds						
Capital income transferred from LA	-	340,638	(27,392)	-	-	313,246
Other capital expenditure	-	-	-	42,896	-	42,896
	<u>-</u>	<u>340,638</u>	<u>(27,392)</u>	<u>42,896</u>	<u>-</u>	<u>356,142</u>
Total restricted funds	<u>-</u>	<u>1,813,310</u>	<u>(3,591,605)</u>	<u>-</u>	<u>(1,044,000)</u>	<u>(2,822,295)</u>
Total of funds	<u>-</u>	<u>2,739,710</u>	<u>(3,806,735)</u>	<u>-</u>	<u>(1,044,000)</u>	<u>(2,111,025)</u>

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

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Restricted fixed asset funds amounting to £428,214 (2016: £356,142) will be reserved against future depreciation charges.

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17. STATEMENT OF FUNDS (continued)

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St Mary's Catholic Primary School	254,854	235,981
St Gregory's Catholic Primary School	263,940	296,956
The Good Shepherd Catholic Primary School	477,937	433,347
Thomas Becket Catholic School	4,044	46,505
Central services	61,360	12,044
Total before fixed asset fund and pension reserve	1,062,135	1,024,833
Restricted fixed asset fund	829,413	356,142
Pension reserve	(2,915,000)	(3,492,000)
Total	(1,023,452)	(2,111,025)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depn £	Total 2017 £	Total 2016 £
St Mary's Catholic Primary School	676,958	106,007	44,300	214,330	1,041,595	396,925
St Gregory's Catholic Primary School	1,281,131	188,702	76,321	356,358	1,902,512	709,679
The Good Shepherd Catholic Primary School	1,234,598	178,756	43,370	263,337	1,720,061	666,362
Thomas Becket Catholic School	2,517,219	675,487	242,508	807,335	4,242,549	1,892,521
Central services	-	-	-	35,830	35,830	(50,956)
	5,709,906	1,148,952	406,499	1,677,190	8,942,547	3,614,531

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	428,214	428,214
Current assets	635,367	1,232,133	401,199	2,268,699
Creditors due within one year	-	(805,365)	-	(805,365)
Provisions for liabilities and charges	-	(2,915,000)	-	(2,915,000)
	<u>635,367</u>	<u>(2,488,232)</u>	<u>829,413</u>	<u>(1,023,452)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR AS RESTATED

	Unrestricted funds 5 months ending 31 August 2016 £	Restricted funds 5 months ending 31 August 2016 £	Restricted fixed asset funds 5 months ending 31 August 2016 £	Total funds 5 months ending 31 August 2016 £
Tangible fixed assets	-	-	356,142	356,142
Current assets	711,270	970,330	-	1,681,600
Creditors due within one year	-	(656,767)	-	(656,767)
Provisions for liabilities and charges	-	(3,492,000)	-	(3,492,000)
	<u>711,270</u>	<u>(3,178,437)</u>	<u>356,142</u>	<u>(2,111,025)</u>

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

	2017 £	As restated 2016 £
Net income for the year (as per Statement of financial activities)	216,573	(1,067,025)
Adjustment for:		
Depreciation charges	72,777	27,392
Dividends, interest and rents from investments	(1,122)	(399)
Decrease/(increase) in debtors	242,237	(791,216)
Increase in creditors	166,098	640,442
Capital grants from DfE and other capital income	(439,216)	-
Defined benefit pension scheme cost less contributions payable	221,000	21,000
Defined benefit pension scheme finance cost	73,000	35,000
Pension deficit transferred on conversion	-	2,392,000
Fixed assets inherited on conversion	-	(340,638)
Cash inherited on conversion	-	(50,126)
Net cash provided by operating activities	551,347	866,430

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,773,395	944,059
	1,773,395	944,059

21. MEMBERS' LIABILITY

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

22. CAPITAL COMMITMENTS

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

	2017 £	2016 £
Contracted for but not provided in these financial statements	335,887	-

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23. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £503,086 (2016 - £187,970).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £463,000 (2016 - £179,000), of which employer's contributions totalled £376,000 (2016 - £144,000) and employees' contributions totalled £87,000 (2016 - £35,000). The agreed contribution rates for future years are between 23.6% and 24.3% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.20 %	2.00 %
Rate of increase in salaries	3.80 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	21.8
Females	24.2	23.9
Retiring in 20 years		
Males	23.9	23.6
Females	26.1	25.8

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.5%	3,925,000	-
Discount rate -0.5%	5,065,000	-
Salary increase +0.5%	4,643,000	-
Salary increase -0.5%	4,347,000	-
Pension increase +0.5%	4,906,000	-
Pension increase -0.5%	4,084,000	-

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017	Fair value at 31 August 2016 £
Equities	1,169,200	681,600
Bonds	252,800	182,400
Property	110,600	76,800
Cash and other liquid assets	47,400	19,200
Total market value of assets	<u>1,580,000</u>	<u>960,000</u>

The actual return on scheme assets was £157,000 (2016 - £113,000).

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

	2017 £	2016 £
Interest income	25,000	10,000
Interest cost	(98,000)	(45,000)
Current service cost	597,000	165,000
Total	<u>524,000</u>	<u>130,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,452,000	-
Upon conversion	-	3,060,000
Interest cost	98,000	45,000
Employee contributions	87,000	35,000
Actuarial (gains)/losses	(739,000)	1,147,000
Current service cost	597,000	165,000
Closing defined benefit obligation	<u>4,495,000</u>	<u>4,452,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	960,000	-
Upon conversion	-	668,000
Interest income	25,000	10,000
Actuarial losses	132,000	103,000
Employer contributions	376,000	144,000
Employee contributions	87,000	35,000
	<u>1,580,000</u>	<u>960,000</u>
Closing fair value of scheme assets	<u>1,580,000</u>	<u>960,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	30,272	41,834
Between 1 and 5 years	15,267	44,634
Total	<u>45,539</u>	<u>86,468</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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.

Both Mgr K McGinnell and Mr T Redding were Trustees of the Academy Trust during the period. Both parties also hold positions at The Northampton Roman Catholic Diocese Trust and during the period the Academy Trust incurred costs of £261,434 (2016: £82,291) from The Northampton Roman Catholic Diocese Trustee. As at 31 August 2017, The Northampton Roman Catholic Diocese Trust received grant funding on behalf of the Academy trust amounting to £234,789. The income and expenditure incurred by the Diocese was obtained and managed on behalf of the Academies Trust in respect of on-going capital projects. At 31 August 2017 the academy trust owed £96,804 (2016: £55,301) to The Northampton Roman Catholic Diocese Trustee and had accrued expenses of £nil (2016: £31,321).