

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

<b>Members</b>	Mr G Reynolds The Brentwood Diocesan Trust Rt Rev A Williams
<b>Trustees</b>	Mr G Reynolds, Chairman Mrs A Black Mrs A McCann, Chief Executive (resigned 31 March 2017) Mr I Kendal, Chief Executive (appointed 1 April 2017) Fr. B Kot, Vice Chair Fr. B Soley
<b>Company registered number</b>	07696069
<b>Company name</b>	Our Lady of Fatima Catholic Multi Academy Trust
<b>Registered and principal office</b>	Our Lady of Fatima Catholic Multi Academy Trust First Avenue Harlow Essex CM20 2NP
<b>Company Secretary</b>	Mr T Minihane
<b>Chief Executive Officer</b>	Mr I Kendal
<b>Senior Management Team</b>	Mrs A McCann (until March 2017) Mr I Kendal (from April 2017) Mrs A Black Mr P Murphy Mrs C Bell
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY 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 Our Lady of Fatima Catholic Multi Academy Trust (the Trust or the Charitable Company) for the year ended 31 August 2017.

The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 2 primary academy schools (the Academies or the Schools) serving a catchment area in Harlow. The Academies have a combined capacity of 420 and had a roll of 416 in the 2017 census.

### Structure, governance and management

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- St Alban's Catholic Academy (St Alban's) converted on 01/08/2011
- St Luke's Catholic Academy (St Luke's) converted and joined Trust on 01/08/2013

The operation of The Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Each Academy has appointed Local Governing Bodies (LGB's).

Throughout the Report the term Director or Trustee relates to a member of the Strategic Board. The term Governor relates to a member of a LGB.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section.

#### Members' liability

Each Member of the Charitable Company undertakes to contribute to its assets 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 and Governors are covered by indemnity insurance purchased at the Trust's expense, 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 Trust. Such indemnity will not apply to any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not; nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees or Governors in their capacity as Directors or Governors.

#### Principal activities

To advance for the public benefit, education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum, and as Catholic schools in line with direction from the Catholic Diocese of Brentwood. The Trust is constituted as two 4 -11 Schools for the year to 31 August 2017.

#### Method of recruitment and appointment or election of Trustees

The Trustees may appoint up to two Trustees.

The Diocesan Bishop may appoint such number of Foundation Trustees so as to ensure that at all times the number of Foundation Trustees outnumber all other Trustees by at least two.

The Executive Head Teacher is an ex officio Trustee.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

### **Policies and procedures adopted for the induction and training of Trustees and Governors**

There is an induction procedure for new Trustees and Governors which outlines basic guidance for all but is then tailored to individual requirements. A nominated Link Governor oversees this.

Trustees and Governors attend Essex Governor Courses and the Trust subscribes to online Governor Training, which all can access and use at times convenient to them. Internal training is provided on various topics, especially regular Safeguarding updates and training sessions.

The Link Governor keeps records of any Governor training. All Trustees and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles.

### **Organisational structure**

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Board of Trustees delegates certain responsibilities to Local Governing Bodies (LGB - one for each Academy) and the three sub committees: the Finance & Personnel Committee, the Premises Committee and the Curriculum Committee. These meetings are also attended by members of the Trust's Senior Leadership Team (SLT). Minutes of meetings with LGB's are fed back to the Strategic Board and the Strategic Board provides a summary report to each LGB. For 2017 both LGBs Chairs changed and the new LGB Chairs have been co-opted on the Strategic Board.

The Executive Head Teacher is an ex-officio Trustee and is the Accounting Officer. The Executive Head directly line manages the members of the SLT, which comprised 2 part time Assistant Headteachers and a Deputy Head Teacher. As a group, the SLT are responsible for the day-to-day operation of the Academies in particular, organising the teaching staff, facilities and students.

### **Risk management**

The Trust maintains a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Premises and Finance and Personnel Committees. The principal risks facing the Trust at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls; for further details, see the Statement of Internal Control below.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

### **Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Strategic Board.

### **Connected organisations, including related party relationships**

Owing to the nature of the 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 a Trustee has an interest.

Any transactions involving such organisations would be conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

As a Catholic Academy we are linked to the Diocese of Brentwood.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

### Objectives and activities

#### Objects and aims

The principal object and activity of the Trust are set out in the principal activities disclosure above.

#### Objectives

The Board of Trustees had the following main objectives for the year ended 31 August 2017:

- To appoint a new Executive Headteacher for the Trust for April 2017. This was due to the retirement of the current Executive Headteacher on March 2017
- To continue to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To continue to raise the standard of educational achievement of all pupils and thereby to maintain the Trust's local and national reputation.
- To ensure the maintenance of a Catholic ethos and education within the Schools.
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with our local Catholic parishes and local industry.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.
- To consolidate the Trust's Multi Academy status and enjoy a smooth transition to new systems and new compliance frameworks

#### Strategies and activities

In keeping with its objectives for the period, the main activities provided by the Trust included:

- A new Executive Headteacher for the Trust was appointed. This was an experienced Headteacher who took up post on 1st April 2017 with a smooth transition.
- To improve KS2 Reading and Mathematics attainment across the Trust.
- Training opportunities for all staff, and especially teaching staff to ensure consistently good teaching and effectiveness of subject co-ordinators in driving improvement.
- To continue to improve the creative curriculum through exploring topic approaches.
- Parish links have been further developed. Both Academies have regularly attended Masses with their Parishes. Staff support at Parish Masses and meetings. Services for Reconciliation, Stations of the Cross and Praying the Rosary are held at the Academies and open to Parishioners. The Academies local Parish Priests and Deacon regularly visit the Schools.
- St Luke's had an RE Section 48 Inspection and were judged to be Good.
- St Alban's actively participated in the national statue pilgrimage of Our Lady of Fatima when the pilgrimage visited the parish over a two day period in October.
- The Trust is part of HEC and HEP.
- The trust is actively consulting with Brentwood Diocese and with local Catholic schools to progress the Diocesan plans of expanded Catholic MAT's.
- The Trust has, in both its Academies, a very successful fixture list of competitive sport throughout the year making effective use of the Government's sports grant. A wide variety of sports clubs are offered to KS1 and KS2 pupils with all except gymnastics at no extra cost. The Trust has maintained the Gold Standard for sport in both Schools.
- Pupils are prepared for the move into secondary education by visits to secondary schools in year 5 and year 6. The year 6 attend Crucial Crew, Pedestrian and Bikeability Training. Year 6 are also offered a residential trip at the end of the academic year, which promotes team work and maturity.
- The Trust had a successful bid made to the ESFA capital fund to improve the water distribution at St. Luke's. These improvements help to provide good learning environments for the pupils.
- St. Alban's is a Lead School for Teacher Training and has developed its provision to be under the name Harlow Teacher Training Partnership to reflect that it is recruiting good trainee teachers for a number of schools in Harlow. The training is provided by Essex Teacher Training with HEC supporting school to school communications.
- The age range change for St. Luke's was granted so that it is now age 3-11 and able to proceed with setting up a preschool at St. Luke's. This has involved restructuring the classroom arrangement to accommodate a preschool class.
- A new entry system has been installed - InVentry is used for staff, visitors and pupils of the Schools.
- Parents can now make payment online via Parentmail and the Schools are now cashless.
- Teacher led clubs are offered free of charge to students to allow access to all.

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

- Specialist PE and Music Instructors and a Music Teacher are employed to enable skills development.
- Higher Attainers attended workshops, quizzes and competitions to provide an experience of these subjects beyond their own school and an extra challenge.
- Pupils enjoyed a wide range of school trips including a residential for y6, the National Space Centre and performing at the O2.
- The Schools hold awards for International School Status, Healthy Schools, Wellcomm and MiniVinnies as well as the Gold School Games award as stated previously.

### Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The Trust has operated in accordance with its funding agreement as a non-charging, not-for-profit organisation throughout the period in question. Pupil admissions to the Academies have been conducted in accordance with the St Alban's Catholic Academy admissions policy and with St Luke's Catholic Academy admissions policy.

### Strategic Report

#### Achievements and performance

The Trust measures its success partly through a series of performance indicators. These indicators comprise:

- Academy popularity/admissions.
- Examination results and other indicators of student progress.
- Staff and department performance monitoring.
- Financial health.
- Comparison of performance against other local and national schools.

Examination results for 2017 in KS2 showed an improvement in Mathematics and Spelling, Grammar and Punctuation attainment with Writing attainment broadly maintained across the Trust. The Reading attainment was disappointing and is a main focus for improvement. A consultant had worked with the Trust and the English Lead.

Both Schools were above floor standards for progress. Data and papers are analysed to inform future planning. 1:1 teacher led interventions, same day maths interventions and Easter Revision Classes had taken place for year 6 pupils EYFS and KS1 results continued to be good with Phonics scores reduced from previous years so also becoming a focus for improvement. EYFS judgements at St. Luke's were externally moderated this year.

#### KS2 Results for the Trust

St. Alban's Catholic Academy:

Reading 69% at Expected Level or better.  
Writing 90% at Expected Level or better.  
SPaG 79% at Expected Level or better.  
Mathematics 93% at Expected Level or better.  
RWM 69% at Expected Level or better.

St. Luke's Catholic Academy:

Reading 48% at Expected Level or better.  
Writing 76% at Expected Level or better.  
SPaG 66% at Expected Level or better.  
Mathematics 72% at Expected Level or better.  
RWM 48% at Expected Level or better.

To ensure standards are continually raised, the Trust:

- Regularly holds Pupil Progress meetings to aid early identification of intervention needs
- Intervention support programmes to improve results next year.
- Operates a programme of observations of lessons, including peer observations.
- Operates a programme of performance reviews.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

### Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2017, total expenditure of £2,542,258 (excluding depreciation) was not completely covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed assets and pension funds) was £102,789. This expenditure was planned and made from our reserves. It includes additional staff costs; costs related to a new minibus and the self-funded part of the boiler and associated works project at St Luke's in the form of a Salix loan, as required by the ESFA. Other planned expenditure on improvements include a programme of updating laptops at both Schools and the establishment of a Nursery provision at St Luke's.

### Financial position

The Trust had a fund balance deficit at 31 August 2017 of £921,781 comprising £56,619 of restricted fixed asset funds, £200,600 of unrestricted general funds, £289,000 of donation in kind and a pension reserve deficit of £1,468,000.

At 31 August 2017 the net book value of fixed assets was £54,619 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

### Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent 5% of the General Annual Grant. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £200,600, which is considered adequate.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,468,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the Trust.

### Investment Policy

The Trust has a policy of investing its cash balances with a view to realising return but with minimum risk. Currently the Trust only operates an instantly available interest account. This procedure will be reviewed in the future in light of long term planning.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

### Financial and risk management objectives and policies

#### Principal risks and uncertainties

The Trustees assess the principal risks and uncertainties facing the Trust as follows:

- Staff retention: possibly the biggest single risk to the Trust would lie in its failure to retain key staff.
- Material decrease in income affecting provision: highly unlikely. The budget for 2017-18 is sound, and the longer term financial plan shows considerable contingency against unwelcome future developments.
- Falling rolls: highly unlikely. Response to the conversion to Multi Academy status has showed no diminution in student and parental enthusiasm. St. Alban's has been oversubscribed for many years and there is every sign of this continuing. The local Catholic parish is baptising significantly over 30 Catholic children each year. St. Luke's had seen a significant reduction in pupil numbers before being sponsored, however, the number on roll is increasing and the Trust will actively work to promote the School. The Trust will hold open days for both Schools.
- Staff recruitment: attracting good quality staff to the area is always a challenge, however we have had sufficient quality applicants to recent advertised positions. This allied to development of our own staff will mitigate any potential risk. St. Alban's is a Lead School for School Direct Teacher Training; this will aid future recruitment for the Academies and other local schools.
- Bank balances & investments: there is no significant risk other than an institution ceasing to trade, however the Trust will review spreading any balances over more than one institution if cash balances reach a level that their loss would be significantly damaging.
- Debtors: there are no material debtors.
- The Trust's credit rating is not in jeopardy, though it has no need for credit facilities.
- The Trust's cash flow is healthy and long-term financial planning predicts it will remain so.

#### Plans for the future

The Trust will continue striving to improve the levels of performance of its students at all levels.

The Trustees intend to enhance and expand facilities in pursuance of the Schools' commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

The Trust plans to open a Pre-School at St Luke's Catholic Academy, in January 2018. To this end, the age range of students within St Luke's has changed to 3-11. An application has been approved by the DFE.

Mrs Anne Marie McCann, our previous Executive Headteacher, retired at Easter 2017. The Trust appointed Mr Ian Kendal as our new Executive Headteacher from Easter 2017. The Board are convinced by his experience, skill and personal attributes, that he will be an outstanding success in the role.

#### Provision of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that;

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish the Charitable Company's Auditors are aware of that information.

This Report was approved by the Board of Trustees on 8 December 2017 and signed on its behalf by:

**Mr G Reynolds**  
Chair of Trustees

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

## GOVERNANCE STATEMENT

### SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Our Lady of Fatima Catholic Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr G Reynolds	2	2
Mrs A Black	2	2
Mrs A McCann	2	2
Mr I Kendal	1	1
Fr. B Kot	0	2
Fr. B Soley	0	2

Our previous Executive Headteacher, Mrs Anne Marie McCann, was replaced by Mr Ian Kendal on 1st April 2017.

During the year, the Board of Trustees circulated a self-assessment skills audit to all governors. This has been collated and reviewed. The next intended self-evaluation will be Spring 2018.

The Finance Committee is a sub-committee of the main Board of Trustees. The purpose and remit of the finance committee is to set the annual budget, ensure the Trust is operating within this budget and to strategically plan for the future year.

Finance covers review and monitoring of the accounts, oversight of expenditures and salary and recruitment matters. It ensures that the requirements of the Academies Financial Handbook are observed at all times as well as any requirements and recommendations of the Directors and the Secretary of State, as well as the Bishop.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Reynolds	3	3
Mrs A McCann	2	2
Fr. B Kot	1	3
Mr H Linden	3	3
Mr I Kendal	1	1

There have been no changes to the composition of the committee. The committee faces the challenge of potential reductions in annual funding, alongside increases in expenditure. This includes further increases in our monthly contributions to the local government pension deficit, and reported increases in employer teachers' pension contributions. The Committee's long term challenge is to ensure recurring expenditures are covered by recurring incomes.

The audit committee forms part of the finance committee. Its purpose is to review financial statements, along with internal and external audit reports, to ensure they reflect best practice.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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## GOVERNANCE STATEMENT (continued)

### REVIEW OF VALUE FOR MONEY

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

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

#### Improving Educational Results

- We continue to provide specialist teachers for ICT, Music and PE. We consider the needs of all individual pupils through regular Pupil Progress meetings.

The Trust has demonstrated value for money by:

- Remaining vigilant in relation to our responsibility to maintain value for money. We continue to review areas of significant on-going annual expenditure and this year, have undertaken cost comparisons relating to our Trust Website and ICT support package. We have also been monitoring our printing and copying expenditure to ensure these costs remain reasonable and stable.
- Any new purchases made during the year have been subject to three quotations according to values stated in our Finance Regulations.
- Our Multi Academy Trust Finance Regulations are reviewed annually to ensure they remain relevant to our obligations.

#### Reviewing controls and managing risks

- The Multi-Academy Trust Governance has a clearly defined structure.
- Financial governance and oversight is strong, with the Finance Committee having a breadth of expertise in Finance, Business and Education.
- This year, the Trust Risk Register was reviewed by The Board of Trustees and modified for relevance. The register will be reviewed on a termly basis by Governors.
- During this year, a Responsible Officer made termly visits, during which, financial records were reviewed according to pre-defined terms of engagement guidelines.
- An Internal Controls Evaluation has been performed by an external body over three visits during the year. This evaluation generated three termly reports, with observations and recommendations which are reviewed and minuted for action during the termly Finance Committee meetings.
- The accounts are audited by Price Bailey.

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

### CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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## GOVERNANCE STATEMENT (continued)

### THE RISK AND CONTROL FRAMEWORK

The 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 Finance 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Fiona Barrett, an experienced independent individual, as Responsible Officer (RO).

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

- purchasing and value for money;
- income;
- security of physical assets;
- budget monitoring; and
- payroll.

The RO undertakes a pre-defined number of spot checks to ensure that: income and expenditure have been correctly managed, authorised and reconciled; staff have been paid in accordance with their personnel records and any changes to salary are correctly authorised; checks are made to ensure salaries are within budget; the management of larger items of expenditure conform to the Trust's Finance Regulations; the equipment and asset register is up to date and budgets are being closely monitored.

The RO is engaged based on pre-defined Terms of Reference. The RO produces reports following each visit and these reports are included in the Finance Committee termly meetings. This role is under review for the next financial year.

We also employ an external body (Essex Education Services) to undertake an Internal Controls Evaluation, on a termly basis. EES work on a pre-defined Terms of Engagement programme which covers; governance and financial management; banking, payroll, financial reporting, Income, assets and expenditure.

The RO has delivered their schedule of work as planned.

Material recommendations included: maintaining the segregation of duty across the Schools, relating to income; maintaining the segregation of duty relating to payroll processes; reviewing and updating the Trust's operating Risk Register and reviewing and updating the Capital Assets register. The segregation of duty relating to income has been rectified and enhanced with the introduction of a cashless office, using parentmail pluspay for the collection of all parental related payment to the school. The segregation of duty relating to payroll has been rectified in line with updates to our Finance Regulations. Our Risk Register has been reviewed, updated and is being monitored. Our Capital Asset Register is still being worked on, with progress having been made and a completion deadline of January 2018.

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

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

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

Approved by the Board of Trustees on 8 December 2017 and signed on their behalf, by:

**Mr G Reynolds**  
Trustee

**Mr I Kendal**  
Accounting Officer

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**Mr I Kendal**  
**Accounting Officer**

Date: 8 December 2017

## OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the ESFA, United Kingdom Accounting Standards (UK GAAP) 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 the Board of Trustees on 8 December 2017 and signed on its behalf by:

**Mr G Reynolds**  
Trustee

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

### OPINION

We have audited the financial statements of Our Lady of Fatima Catholic Multi Academy Trust (the "Academy Trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Academy Trust's 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 Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### OTHER INFORMATION

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

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

We have nothing to report in this regard.

## **OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

#### **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, incorporating the Strategic Report and the Director's Report for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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' remuneration 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 Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR  
LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

Date: 8 December 2017

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

## INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 October 2017 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 Our Lady of Fatima Catholic Multi Academy 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 Our Lady of Fatima Catholic Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Our Lady of Fatima Catholic Multi Academy 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 Our Lady of Fatima Catholic Multi Academy Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

### RESPECTIVE RESPONSIBILITIES OF OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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

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

### APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO OUR LADY  
OF FATIMA CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY  
(continued)**

**CONCLUSION**

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

Reporting Accountant

**Price Bailey LLP**  
Chartered Accountants

Date: 8 December 2017

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,803	147,544	160,900	318,247	172,223
Charitable activities	3	50,112	1,926,260	-	1,976,372	2,651,396
Other trading activities	4	16,601	-	-	16,601	12,590
Investments	5	249	-	-	249	374
<b>TOTAL INCOME</b>		<u>76,765</u>	<u>2,073,804</u>	<u>160,900</u>	<u>2,311,469</u>	<u>2,836,583</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>179,554</u>	<u>2,201,804</u>	<u>201,744</u>	<u>2,583,102</u>	<u>2,966,206</u>
<b>TOTAL EXPENDITURE</b>	6	<u>179,554</u>	<u>2,201,804</u>	<u>201,744</u>	<u>2,583,102</u>	<u>2,966,206</u>
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(102,789)	(128,000)	(40,844)	(271,633)	(129,623)
Actuarial gains/(losses) on defined benefit pension schemes	22	<u>-</u>	<u>153,000</u>	<u>-</u>	<u>153,000</u>	<u>(588,000)</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>(102,789)</u>	<u>25,000</u>	<u>(40,844)</u>	<u>(118,633)</u>	<u>(717,623)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>303,389</u>	<u>(1,204,000)</u>	<u>97,463</u>	<u>(803,148)</u>	<u>(85,525)</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>200,600</u>	<u>(1,179,000)</u>	<u>56,619</u>	<u>(921,781)</u>	<u>(803,148)</u>

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07696069**

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		54,619		95,463
<b>CURRENT ASSETS</b>					
Debtors	14	426,520		408,399	
Cash at bank and in hand		481,230		954,204	
		<u>907,750</u>		<u>1,362,603</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(315,903)		(730,826)	
<b>NET CURRENT ASSETS</b>			<u>591,847</u>		<u>631,777</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>646,466</u>		<u>727,240</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		(100,247)		(37,388)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>546,219</u>		<u>689,852</u>
Defined benefit pension scheme liability	22	(1,468,000)		(1,493,000)	
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES</b>			<u>(921,781)</u>		<u>(803,148)</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted funds - donation in kind	17	289,000		289,000	
Restricted fixed asset funds	17	56,619		97,463	
		<u>345,619</u>		<u>386,463</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,468,000)		(1,493,000)	
		<u>(1,122,381)</u>		<u>(1,106,537)</u>	
Total restricted income funds			(1,122,381)		(1,106,537)
Unrestricted income funds	17		200,600		303,389
<b>TOTAL DEFICIT</b>			<u>(921,781)</u>		<u>(803,148)</u>

The financial statements on pages 19 to 39 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:

**Mr G Reynolds**  
Trustee

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(473,223)	69,975
<b>Cash flows from investing activities:</b>			
Interest received		249	374
Capital expenditure - purchase of fixed assets		-	(37,009)
<b>Net cash provided by/(used in) investing activities</b>		249	(36,635)
<b>Change in cash and cash equivalents in the year</b>		(472,974)	33,340
Cash and cash equivalents brought forward		954,204	920,864
<b>Cash and cash equivalents carried forward</b>		481,230	954,204

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

The financial statements of the 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.

Our Lady of Fatima Catholic Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

#### 1.2 Company status

The Trust is a private company registered in England & Wales and limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Our Lady of Fatima Multi Academy Trust, First Avenue, Harlow, Essex CM20 2NP.

#### 1.3 Fund accounting

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

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

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

#### 1.4 Income

All income is recognised once the 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 are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.7 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Trust occupies land and the buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Trust occupies the land and buildings by a license that transfers to the Trust no rights or control over the site save that of occupying it at the will of the Trustees under the agreement, the Trustees have concluded that the value of the land and buildings occupied by the Trust will not be recognised or valued within fixed assets.

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	-	20% straight line
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A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

#### 1.9 Taxation

The 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 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.

#### 1.10 Debtors

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

#### 1.11 Cash at Bank and in hand

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

#### 1.12 Liabilities and provisions

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

#### 1.13 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.14 Pensions

Retirement benefits to employees of the 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 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 22, 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### 1.15 Concessionary Loans

Concessionary loans are initially recognised and measured at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

#### 1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make 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 22, 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.

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	9,803	51,544	-	61,347	63,660
Notional rent	-	96,000	-	96,000	96,000
Capital grants	-	-	160,900	160,900	12,563
	<u>9,803</u>	<u>147,544</u>	<u>160,900</u>	<u>318,247</u>	<u>172,223</u>
<i>Total 2016</i>	<u>14,987</u>	<u>142,673</u>	<u>14,563</u>	<u>172,223</u>	

**3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,670,509	1,670,509	1,706,625
Other DfE / ESFA grants	-	147,545	147,545	146,690
	<u>-</u>	<u>1,818,054</u>	<u>1,818,054</u>	<u>1,853,315</u>
<b>Other government grants</b>				
Local Authority grants	-	108,206	108,206	753,970
	<u>-</u>	<u>108,206</u>	<u>108,206</u>	<u>753,970</u>
<b>Other funding</b>				
Catering income	50,112	-	50,112	44,111
	<u>50,112</u>	<u>-</u>	<u>50,112</u>	<u>44,111</u>
	<u>50,112</u>	<u>1,926,260</u>	<u>1,976,372</u>	<u>2,651,396</u>
<i>Total 2016</i>	<u>44,111</u>	<u>2,607,285</u>	<u>2,651,396</u>	

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other activities	16,601	-	16,601	12,590
<i>Total 2016</i>	<u>12,590</u>	<u>-</u>	<u>12,590</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	249	-	249	374
<i>Total 2016</i>	<u>374</u>	<u>-</u>	<u>374</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of education:					
Direct costs	1,437,556	-	103,737	1,541,293	1,453,174
Support costs	253,743	424,504	363,562	1,041,809	1,513,032
	<u>1,691,299</u>	<u>424,504</u>	<u>467,299</u>	<u>2,583,102</u>	<u>2,966,206</u>
<i>Total 2016</i>	<u>1,644,650</u>	<u>872,949</u>	<u>448,607</u>	<u>2,966,206</u>	

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

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

**7. CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	1,541,293	1,453,174
Support costs	1,041,809	1,513,032
	<hr/>	<hr/>
Total	2,583,102	2,966,206
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs	2017 £	2016 £
Support staff costs	253,743	319,801
Depreciation	40,844	39,001
Technology costs	33,344	38,936
Premises costs (excluding depreciation)	383,660	833,948
Other costs	310,842	269,333
Governance costs	19,376	12,013
	<hr/>	<hr/>
Total	1,041,809	1,513,032
	<hr/> <hr/>	<hr/> <hr/>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the Trust	40,844	39,001
Auditors' remuneration - audit	5,300	5,300
Auditors' remuneration - non-audit	5,550	5,250
Operating lease rentals	4,022	4,022
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

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

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,249,863	1,268,843
Social security costs	92,426	78,531
Operating costs of defined benefit pension schemes	314,363	242,518
	<hr/>	<hr/>
Supply teacher costs	1,656,652 34,647	1,589,892 54,758
	<hr/>	<hr/>
	<b>1,691,299</b>	<b>1,644,650</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
Teachers	20	21
Administration and support	63	81
Management	1	1
	<hr/>	<hr/>
	84	103
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	17	7
Administration and support	35	32
Management	1	1
	<hr/>	<hr/>
	53	40
	<hr/> <hr/>	<hr/> <hr/>

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

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

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £263,412 (2016: £254,156).

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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

### 10. 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 Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

A McCann (Executive Headteacher)  
Remuneration £45,000-£50,000 (2016: £80,000-£85,000)  
Employer's pension contributions paid £5,000-£10,000 (2016: £10,000-£15,000)

I Kendal (Executive Headteacher)  
Remuneration £30,000-£35,000 (2016: £Nil)  
Employer's pension contributions paid £5,000-£10,000 (2016: £Nil)

A Black (Vice Chair)  
Remuneration £30,000-£35,000 (2016: £30,000-£35,000)  
Employer's pension contributions paid £5,000-£10,000 (2016: £5,000-£10,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £961 were reimbursed or paid directly to 3 Trustees (2016: £566 to 2 Trustees) for expenses incurred as part of their employment as staff members.

Other related party transactions involving the Trustees are set out in note 24.

### 11. CENTRAL SERVICES

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

- Educational - strategy and intervention.
- Non educational - strategy and intervention.
- Human resources.
- Financial services including audit.
- Legal services.

The Trust charges for these services on the following basis:

The central services are recharged and split equally between the two member schools.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Alban's Catholic Academy	178,831	213,235
St Luke's Catholic Primary School	178,830	213,234
Total	<u>357,661</u>	<u>426,469</u>

### 12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

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

**13. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>Cost</b>	
At 1 September 2016 and 31 August 2017	225,368
<b>Depreciation</b>	
At 1 September 2016	129,905
Charge for the year	40,844
At 31 August 2017	170,749
<b>Net book value</b>	
At 31 August 2017	54,619
At 31 August 2016	95,463

**14. DEBTORS**

	2017 £	2016 £
<b>Due after more than one year</b>		
Other debtors (see note 24)	193,000	193,000
<b>Due within one year</b>		
VAT repayable	32,622	49,865
Other debtors (see note 24)	96,000	96,000
Prepayments and accrued income	104,898	69,534
	<u>426,520</u>	<u>408,399</u>

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Other taxation and social security	25,273	22,171
Other creditors	83,947	216,928
Accruals and deferred income	206,683	491,727
	<u>315,903</u>	<u>730,826</u>
	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	38,111	39,641
Resources deferred during the year	51,851	38,111
Amounts released from previous years	(38,111)	(39,641)
Deferred income at 31 August 2017	<u>51,851</u>	<u>38,111</u>

The deferred income balance includes Universal Free School Meals, Devolved Formula Capital and school trips income.

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

**16. CREDITORS: Amounts falling due after more than one year**

	2017 £	2016 £
Other creditors	100,247	37,388
	<u>                    </u>	<u>                    </u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	43,142	15,703
	<u>                    </u>	<u>                    </u>

The amount provided for in other creditors is for three Salix loans provided to the Trust by the Department for Education. This is repayable over five years.

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/(out) & gains/(losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>					
Unrestricted funds	303,389	76,765	(179,554)	-	200,600
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Restricted funds</b>					
General Annual Grant (GAG)	-	1,670,509	(1,670,509)	-	-
Other Government grants	-	108,206	(108,206)	-	-
Restricted trip donations	-	51,544	(51,544)	-	-
Other DfE/ESFA grants	-	147,545	(147,545)	-	-
Donation in kind	289,000	96,000	(96,000)	-	289,000
Pension reserve	(1,493,000)	-	(128,000)	153,000	(1,468,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	(1,204,000)	2,073,804	(2,201,804)	153,000	(1,179,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	95,463	-	(40,844)	-	54,619
Condition Improvement Funding	-	160,900	(160,900)	-	-
Other capital grants	2,000	-	-	-	2,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	97,463	160,900	(201,744)	-	56,619
Total restricted funds	<u>(1,106,537)</u>	<u>2,234,704</u>	<u>(2,403,548)</u>	<u>153,000</u>	<u>(1,122,381)</u>
Total of funds	<u><u>(803,148)</u></u>	<u><u>2,311,469</u></u>	<u><u>(2,583,102)</u></u>	<u><u>153,000</u></u>	<u><u>(921,781)</u></u>

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

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

**17. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/(out) & gains/(losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>					
Unrestricted funds	334,316	72,062	(102,989)	-	303,389
	<u>334,316</u>	<u>72,062</u>	<u>(102,989)</u>	<u>-</u>	<u>303,389</u>
<b>Restricted funds</b>					
General Annual Grant (GAG)	35,704	1,706,625	(1,705,320)	(37,009)	-
Other Government grants	-	753,970	(753,970)	-	-
Restricted trip donations	-	46,673	(46,673)	-	-
Other DfE/ESFA grants	-	146,690	(146,690)	-	-
Donation in kind	289,000	96,000	(96,000)	-	289,000
Pension reserve	(842,000)	-	(63,000)	(588,000)	(1,493,000)
	<u>(517,296)</u>	<u>2,749,958</u>	<u>(2,811,653)</u>	<u>(625,009)</u>	<u>(1,204,000)</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	97,455	-	(39,001)	37,009	95,463
Other capital grants	-	14,563	(12,563)	-	2,000
	<u>97,455</u>	<u>14,563</u>	<u>(51,564)</u>	<u>37,009</u>	<u>97,463</u>
Total restricted funds	<u>(419,841)</u>	<u>2,764,521</u>	<u>(2,863,217)</u>	<u>(588,000)</u>	<u>(1,106,537)</u>
Total of funds	<u><u>(85,525)</u></u>	<u><u>2,836,583</u></u>	<u><u>(2,966,206)</u></u>	<u><u>(588,000)</u></u>	<u><u>(803,148)</u></u>

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

**Other Government grants**

This represents various grants from local Government bodies for the provision of specific services to pupils of the Trust.

**Restricted trip donations**

This is the donations given by the parents for school trips.

**Other DfE/ESFA grants**

This represents various grants from national Government bodies for the provision of specific services to pupils of the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS (continued)**

**Donation in kind**

This fund represents the rent free occupation of the land and buildings from the Diocese of Brentwood.

**Pension reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from being state controlled schools.

**Restricted fixed asset fund**

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

**Condition Improvement Funding**

This represents funding received from the ESFA to cover the cost of the of the water distribution project at St Lukes Catholic Primary School.

**Other capital grants**

These funds are to be used for maintenance of the Schools' premises.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St Alban's Catholic Academy	144,216	152,680
St Luke's Catholic Primary School	56,384	150,709
Right to occupy	289,000	289,000
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	489,600	592,389
Restricted fixed asset fund	56,619	97,463
Pension reserve	(1,468,000)	(1,493,000)
	<hr/>	<hr/>
Total	(921,781)	(803,148)
	<hr/> <hr/>	<hr/> <hr/>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
St Alban's Catholic Academy	630,670	162,989	50,141	178,809	1,022,609	1,591,076
St Luke's Catholic Primary School	521,092	141,592	44,915	454,389	1,161,988	909,660
Central services	242,045	64,511	-	51,105	357,661	426,469
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,393,807	369,092	95,056	684,303	2,542,258	2,927,205
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	54,619	54,619
Debtors due after more than 1 year	-	193,000	-	193,000
Current assets	616,750	96,000	2,000	714,750
Creditors due within one year	(315,903)	-	-	(315,903)
Creditors due in more than one year	(100,247)	-	-	(100,247)
Provisions for liabilities and charges	-	(1,468,000)	-	(1,468,000)
	<u>200,600</u>	<u>(1,179,000)</u>	<u>56,619</u>	<u>(921,781)</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	95,463	95,463
Debtors due after more than 1 year	-	193,000	-	193,000
Current assets	1,071,603	96,000	2,000	1,169,603
Creditors due within one year	(730,826)	-	-	(730,826)
Creditors due in more than one year	(37,388)	-	-	(37,388)
Provisions for liabilities and charges	-	(1,493,000)	-	(1,493,000)
	<u>303,389</u>	<u>(1,204,000)</u>	<u>97,463</u>	<u>(803,148)</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(271,633)	(129,623)
<b>Adjustment for:</b>		
Depreciation charges	40,844	39,001
Interest received	(249)	(374)
Increase in debtors	(18,121)	(80,874)
(Decrease)/increase in creditors	(352,064)	178,845
Defined benefit pension scheme finance cost	31,000	(31,000)
Defined benefit pension adjustment	97,000	94,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(473,223)</u>	<u>69,975</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	481,230	954,204
<b>Total</b>	<u>481,230</u>	<u>954,204</u>

# OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

### 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. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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.

Contributions amounting to £26,739 were payable to the schemes at 31 August 2017 (2016 - 19,531) and are included within creditors.

#### 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; and
- 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 £112,844 (2016 - £109,062).

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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

**22. PENSION COMMITMENTS (continued)**

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 £137,000 (2016 - £134,000), of which employer's contributions totalled £104,000 (2016 - £102,000) and employees' contributions totalled £33,000 (2016 - £32,000). The agreed contribution rates for future years are between 18.2% and 21.4% 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	2.60 %	2.20 %
Expected return on scheme assets at 31 August	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

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

	At 31 August 2017	At 31 August 2016
	£	£
<b>Sensitivity analysis</b>		
Discount rate +0.1%	2,355,000	2,172,000
Discount rate -0.1%	2,464,000	2,275,000
Mortality assumption - 1 year increase	2,487,000	2,281,000
Mortality assumption - 1 year decrease	2,334,000	2,167,000
CPI rate +0.1%	2,456,000	2,261,000
CPI rate -0.1%	2,363,000	2,187,000

**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

**22. PENSION COMMITMENTS (continued)**

The Trust's share of the assets in the scheme was

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	613,000	504,000
Gilts	58,000	29,000
Other bonds	37,000	29,000
Property	91,000	81,000
Cash and other liquid assets	30,000	22,000
Alternative assets	72,000	29,000
Other managed funds	40,000	37,000
	<hr/>	<hr/>
Total market value of assets	941,000	731,000
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The actual return on scheme assets was £117,000 (2016 - £88,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(201,000)	(134,000)
Interest income	18,000	-
Interest cost	(49,000)	(31,000)
	<hr/>	<hr/>
Total	(232,000)	(165,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	117,000	88,000
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Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	2,223,000	1,363,000
Current service cost	201,000	134,000
Interest cost	49,000	55,000
Employee contributions	33,000	32,000
Actuarial (gains)/losses	(93,000)	652,000
Benefits paid	(4,000)	(13,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,409,000	2,223,000
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**OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	730,000	521,000
Interest income	18,000	24,000
Actuarial gains	60,000	64,000
Employer contributions	104,000	102,000
Employee contributions	33,000	32,000
Benefits paid	(4,000)	(13,000)
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Closing fair value of scheme assets	941,000	730,000
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**23. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	5,645	1,006
Between 1 and 5 years	20,227	-
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Total	25,872	1,006
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**24. RELATED PARTY TRANSACTIONS**

The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £96,000 per annum. On this basis a donation from the Diocese of £96,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £289,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

During the year ended 31 August 2017 the Trust paid wages and other expenses of £58,501 (2016: £48,461) in relation to the Pre-School of St Albans Catholic Academy of which Mr Reynolds is a Trustee. At the year end £22,962 was owing to the Trust (2016: £6,461). The amount recharged represents a full recovery of the costs incurred by the Trust.