

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 7
Governance Statement	8 - 10
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees' Responsibilities	12
Independent Auditors' Report on the Financial Statements	13 - 15
Independent Reporting Accountant's Assurance Report on Regularity	16 - 17
Statement of Financial Activities Incorporating Income and Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 41

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 2018**

Members	Mr G Reynolds The Brentwood Diocesan Trust Rt Rev A Williams
Trustees	Mr G Reynolds, Chairman Mrs A Black Mr I Kendal, Chief Executive Fr. B Kot, Vice Chair Fr. B Soley
Company registered number	07696069
Company name	Our Lady of Fatima Catholic Multi Academy Trust
Registered and principal office	First Avenue Harlow Essex CM20 2NP
Company Secretary	Mr T Minihane
Chief Executive Officer	Mr I Kendal
Senior Management Team	Mr I Kendal Mrs A Black Mr P Murphy Mrs C Bell
Independent Auditors	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 2018

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 2018.

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

The Trust operates 2 primary Academies serving a catchment area in Harlow. The Academies have a combined capacity of 440 and had a roll of 435 in the summer 2018 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 (LGBs).

Throughout the Report the term Director or Trustee relates to a member of the Board of Trustees. 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 Trustees 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

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 and Brentwood Diocesan 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, through the clerk, 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 Trust Improvement Committee. These meetings are also attended by members of the Trust's Senior Leadership Team (SLT). Minutes of meetings with LGBs are fed back to the Strategic Board and the Strategic Board provides a summary report to each LGB.

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

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 2018:

- To continue to ensure that every child receives a high quality education in keeping with the Trust's mission - Through God's love we learn together, grow together and achieve together.
- 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 Academies.
- 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.

Strategies and activities

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

- 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 them.
- St Luke's had an OFSTED Inspection and were judged to be Good.
- The Trust is part of Harlow Education Trust.
- 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 start 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 roof condition 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. Alban's was granted so that it is now age 3-11 and able to proceed bringing the current externally run preschool into the management and organisation of the Trust.
- Parents can make payment online via Parentmail and the Schools are cashless.
- Teacher led clubs are offered free of charge to students to allow access to all.
- 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 various events.
- The Schools hold the Gold School Games award and awards for International School Status, Healthy Schools, Wellcomm and runs a MiniVinnies group.
- The Executive Head Teacher is a Local Leader of Education

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 impressive improvement in Mathematics, with Spelling, Grammar and Punctuation and Writing attainment broadly maintained across the Trust. The Reading attainment was disappointing and continues to be 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 had taken place for year 6 pupils EYFS and KS1 results continued to be good with Phonics scores improved on previous years so also becoming a focus for improvement.

KS2 Results for the Trust

St. Alban's Catholic Academy:

Reading 70% at Expected Level or better.
Writing 83% at Expected Level or better.
SPaG 70% at Expected Level or better.
Mathematics 97% at Expected Level or better.
RWM 63% at Expected Level or better.

St. Luke's Catholic Academy:

Reading 66% at Expected Level or better.
Writing 79% at Expected Level or better.
SPaG 69% at Expected Level or better.
Mathematics 90% at Expected Level or better.
RWM 62% 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; and
- operates a programme of performance reviews.

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.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2018, total expenditure of £2,564,730 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 £8,677. This expenditure was planned and made from our reserves. It includes improvements and updates to equipment, such as a new sound system at each school and clever touch boards; a self-funded element of the roof improvement works at St Luke's and new staff laptops.

Financial position

The Trust had a fund balance deficit at 31 August 2018 of £694,761 comprising £155,316 of restricted fixed asset funds, £191,923 of unrestricted general funds, £289,000 of donation in kind and a pension reserve deficit of £1,331,000.

At 31 August 2018 the net book value of fixed assets was £38,816 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 £191,923, 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 £1,331,000. 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.

Fundraising

The Trust only held small fundraising events during the year. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of fundraising events.

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: The budget for 2018-19 has required a planned use of reserves.
- Falling rolls: 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

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- 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.

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 develop and promote expertise in the Trust through the promotion of Specialist Leaders in Education

The Trustees plan to continue to promote the leadership role in 'system leadership' by providing support to a number of schools through the Executive Headteacher role as a Local Leader of Education.

The Trust plans to apply for Teaching School Accreditation

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.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, on 17 December 2018 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 was as follows:

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

For the year ended 31 August 2018 there have been no key changes in the composition of the Board of Trustees, nor any particular challenges that have arisen this year.

The Board of Trustees continually self-evaluate, this will be codified over the next academic year.

The Board consider that Governance in the Trust is effective. A formal review will assist in validating this effectiveness.

The Trust intends to conduct its next self-evaluation or external review of governance in the academic year 2018-2019.

The Finance and General Purposes Committee is a sub-committee of the Board of Trustees. The purpose and remit of this 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.

There have been no changes to the composition of the Committee, or any particular challenges that have arisen.

Attendance at meetings in the year was as follows:

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

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

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. The Accounting Officer has delivered improved value for money during the year by:

- Ensuring all quotations are challenged to ensure value for money and that all resources are evaluated to ensure effectiveness.

During the Academic year the Trust reviewed its IT support. This resulted in a reduction in its support costs and alignment of its licences and subscriptions. to ensuring IT packages effectively meet the needs of the Trust.

The Trust has also changed its MIS system during this year, a decision that was made after meetings with three potential suppliers and finding a package that encompasses elements previously purchased separately. The supplier chosen by the Trust has also become a recommended supplier via the Church Market Place, enabling the Trust to enjoy the discount that this provides.

The Trust has provided its staff with a much needed update to their laptops. This involved a presentation and rationale provided to Governors with a robust investigation into the deals on offer. The final purchase was made to ensure value for money, It also allowed the Trust to realise its vision for the future development of its IT infrastructure.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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

(A Company Limited by Guarantee)

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 and General Purposes 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 Essex Finance Support as Internal Auditor.

The Internal Auditor'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:

- governance and financial management;
- banking;
- payroll and expenses;
- governance and financial reporting;
- income;
- assets;
- financial accounting and expenditure.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned.

No material control issues have arisen as a result of their work.

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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 17 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, 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 2017.

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 2017.

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

Mr I Kendal
Accounting Officer

Date: 17 December 2018

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018;
- 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 17 December 2018 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 "Trust") for the year ended 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the 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 are 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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**

USE OF OUR REPORT

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

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
18 December 2018

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 17 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 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 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 2017 to 31 August 2018 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

18 December 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	5,382	126,436	354,279	486,097	318,247
Charitable activities	3	49,278	1,920,688	-	1,969,966	1,976,372
Other trading activities	4	28,559	-	-	28,559	16,601
Investments	5	128	-	-	128	249
TOTAL INCOME		83,347	2,047,124	354,279	2,484,750	2,311,469
EXPENDITURE ON:						
Charitable activities		92,024	2,196,256	276,450	2,564,730	2,583,102
TOTAL EXPENDITURE	6	92,024	2,196,256	276,450	2,564,730	2,583,102
NET BEFORE TRANSFERS		(8,677)	(149,132)	77,829	(79,980)	(271,633)
Transfers between funds	17	-	(20,868)	20,868	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(8,677)	(170,000)	98,697	(79,980)	(271,633)
Actuarial gains on defined benefit pension schemes	22	-	307,000	-	307,000	153,000
NET MOVEMENT IN FUNDS		(8,677)	137,000	98,697	227,020	(118,633)
RECONCILIATION OF FUNDS:						
Total funds brought forward		200,600	(1,179,000)	56,619	(921,781)	(803,148)
TOTAL FUNDS CARRIED FORWARD		191,923	(1,042,000)	155,316	(694,761)	(921,781)

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

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

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		38,816		54,619
CURRENT ASSETS					
Debtors	14	566,195		426,520	
Cash at bank and in hand		306,903		481,230	
			<u>873,098</u>	<u>907,750</u>	
CREDITORS: amounts falling due within one year	15	(227,623)		(315,903)	
NET CURRENT ASSETS			<u>645,475</u>		<u>591,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>684,291</u>		<u>646,466</u>
CREDITORS: amounts falling due after more than one year	16		(48,052)		(100,247)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>636,239</u>		<u>546,219</u>
Defined benefit pension scheme liability	22	(1,331,000)		(1,468,000)	
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(694,761)</u>		<u>(921,781)</u>
FUNDS OF THE TRUST					
Restricted income funds:					
Restricted funds - donation in kind	17	289,000		289,000	
Restricted fixed asset funds	17	155,316		56,619	
			<u>444,316</u>	<u>345,619</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,331,000)		(1,468,000)	
			<u>(886,684)</u>	<u>(1,122,381)</u>	
Total restricted income funds					
Unrestricted income funds	17		191,923		200,600
TOTAL DEFICIT			<u>(694,761)</u>		<u>(921,781)</u>

The financial statements on pages 18 to 41 were approved by the Trustees, and authorised for issue, on 17 December 2018 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	(153,587)	(473,223)
Cash flows from investing activities:			
Interest received		128	249
Capital expenditure - purchase of fixed assets		(20,868)	-
Net cash (used in)/provided by investing activities		(20,740)	249
Change in cash and cash equivalents in the year		(174,327)	(472,974)
Cash and cash equivalents brought forward		481,230	954,204
Cash and cash equivalents carried forward		306,903	481,230

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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 funders where the asset acquired or created is held for a specific purpose.

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

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 2018

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.

Capital improvements to Diocesan owned property are recognised as expenditure.

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:

Furniture and fixtures	-	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 2018

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 2018

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 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 2018. 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 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,382	30,436	-	35,818	61,347
Notional rent	-	96,000	-	96,000	96,000
Capital grants	-	-	354,279	354,279	160,900
	<u>5,382</u>	<u>126,436</u>	<u>354,279</u>	<u>486,097</u>	<u>318,247</u>
Total 2017	<u>9,803</u>	<u>147,544</u>	<u>160,900</u>	<u>318,247</u>	

3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,646,649	1,646,649	1,670,509
Other DfE / ESFA grants	-	188,065	188,065	147,545
	<u>-</u>	<u>1,834,714</u>	<u>1,834,714</u>	<u>1,818,054</u>
Other government grants				
Local Authority grants	-	85,974	85,974	108,206
	<u>-</u>	<u>85,974</u>	<u>85,974</u>	<u>108,206</u>
Other funding				
Catering income	49,278	-	49,278	50,112
	<u>49,278</u>	<u>-</u>	<u>49,278</u>	<u>50,112</u>
	<u>49,278</u>	<u>1,920,688</u>	<u>1,969,966</u>	<u>1,976,372</u>
Total 2017	<u>50,112</u>	<u>1,926,260</u>	<u>1,976,372</u>	

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other activities	28,559	-	28,559	16,601
Total 2017	16,601	-	16,601	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	128	-	128	249
Total 2017	249	-	249	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	1,361,724	-	121,052	1,482,776	1,541,293
Support costs	396,899	433,469	251,586	1,081,954	1,041,809
	1,758,623	433,469	372,638	2,564,730	2,583,102
Total 2017	1,691,299	424,504	467,299	2,583,102	

In 2017, of total expenditure, £179,554 was to unrestricted funds, £2,201,804 was to restricted funds and £201,744 was to restricted funds

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	1,482,776	1,541,293
Support costs	1,081,954	1,041,809
	<hr/>	<hr/>
Total	2,564,730	2,583,102
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs	2018 £	2017 £
Support staff costs	396,899	253,743
Depreciation	36,671	40,844
Technology costs	45,404	33,344
Premises costs (excluding depreciation)	396,798	383,660
Other costs	192,015	310,842
Governance costs	14,167	19,376
	<hr/>	<hr/>
Total	1,081,954	1,041,809
	<hr/> <hr/>	<hr/> <hr/>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Trust	36,671	40,844
Auditors' remuneration - audit	5,460	5,300
Auditors' remuneration - non-audit	5,715	5,550
Operating lease rentals	5,645	4,022
	<hr/>	<hr/>
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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 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,283,010	1,249,863
Social security costs	102,177	92,426
Operating costs of defined benefit pension schemes	373,436	314,363
	<hr/>	<hr/>
Agency staff costs	1,758,623	1,656,652
	-	34,647
	<hr/>	<hr/>
	<u>1,758,623</u>	<u>1,691,299</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	24	20
Administration and support	64	63
Management	2	1
	<hr/>	<hr/>
	90	84
	<hr/>	<hr/>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 70,001 - £ 80,000	0	1
In the band £ 80,001 - £ 90,000	1	0

d. Key management personnel

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 £262,285 (2017: £263,412).

Employer pension contributions included within key management personnel remuneration was £33,751.

Employer national insurance contributions included within key management personnel remuneration was £23,731.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

I Kendal (Executive Headteacher)

Remuneration £80,000-£85,000 (2017: £30,000-35,000)

Employer's pension contributions paid £10,000-£15,000 (2017: £5,000-£10,000)

A Black

Remuneration £35,000-£40,000 (2017: £30,000-£35,000)

Employer's pension contributions paid £5,000-£10,000 (2017: £5,000-£10,000)

A McCann (Executive Headteacher)

Remuneration £NIL (2017: £45,000-50,000)

Employer's pension contributions paid £NIL (2017: £5,000-£10,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £2,264 were reimbursed or paid directly to 2 Trustees (2017: £961 to 3 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 central services are recharged and split equally between the two member schools.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
St Alban's Catholic Academy	157,039	178,831
St Luke's Catholic Primary School	157,038	178,830
Total	<u>314,077</u>	<u>357,661</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 2018 was included in the total insurance cost.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Furniture and fixtures £
Cost	
At 1 September 2017	225,368
Additions	20,868
	<hr/>
At 31 August 2018	246,236
	<hr/>
Depreciation	
At 1 September 2017	170,749
Charge for the year	36,671
	<hr/>
At 31 August 2018	207,420
	<hr/>
Net book value	
At 31 August 2018	38,816
	<hr/> <hr/>
At 31 August 2017	54,619
	<hr/> <hr/>

14. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors (see note 24)	193,000	193,000
Due within one year		
VAT repayable	51,597	32,622
Other debtors (see note 24)	96,000	96,000
Prepayments and accrued income	225,598	104,898
	<hr/>	<hr/>
	566,195	426,520
	<hr/> <hr/>	<hr/> <hr/>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	26,611	25,273
Other creditors	89,229	83,947
Accruals and deferred income	111,783	206,683
	<u>227,623</u>	<u>315,903</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	38,111	38,111
Resources deferred during the year	63,177	51,851
Amounts released from previous years	(38,111)	(38,111)
	<u>63,177</u>	<u>51,851</u>
Deferred income at 31 August 2018	<u>63,177</u>	<u>51,851</u>

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

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

	2018 £	2017 £
Other creditors	48,052	100,247
	<u>48,052</u>	<u>100,247</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2018 £	2017 £
Repayable by instalments	14,254	43,142
	<u>14,254</u>	<u>43,142</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.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/(out) £	Transfers in/(out) & gains/(losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	200,600	83,347	(92,024)	-	-	191,923
Restricted funds						
General Annual Grant (GAG)	-	1,646,649	(1,625,781)	(20,868)	-	-
Other Government grants	-	85,974	(85,974)	-	-	-
Restricted trip donations	-	30,436	(30,436)	-	-	-
Other DfE/ESFA grants	-	188,065	(188,065)	-	-	-
Donation in kind	289,000	96,000	(96,000)	-	-	289,000
Pension reserve	(1,468,000)	-	(170,000)	-	307,000	(1,331,000)
	<u>(1,179,000)</u>	<u>2,047,124</u>	<u>(2,196,256)</u>	<u>(20,868)</u>	<u>307,000</u>	<u>(1,042,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	54,619	-	(36,671)	20,868	-	38,816
Devolved formula capital Condition Improvement Funding	-	12,596	(12,596)	-	-	-
Other capital grants	2,000	341,683	(225,183)	-	-	116,500
	<u>56,619</u>	<u>354,279</u>	<u>(276,450)</u>	<u>20,868</u>	<u>-</u>	<u>155,316</u>
Total restricted funds	<u>(1,122,381)</u>	<u>2,401,403</u>	<u>(2,472,706)</u>	<u>-</u>	<u>307,000</u>	<u>(886,684)</u>
Total of funds	<u><u>(921,781)</u></u>	<u><u>2,484,750</u></u>	<u><u>(2,564,730)</u></u>	<u><u>-</u></u>	<u><u>307,000</u></u>	<u><u>(694,761)</u></u>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

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 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.

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 for the roof refurbishment and associated works at St Lukes Catholic Primary School.

Other capital grants

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
St Alban's Catholic Academy	148,435	144,216
St Luke's Catholic Primary School	43,488	56,384
Right to occupy	289,000	289,000
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	480,923	489,600
Restricted fixed asset fund	155,316	56,619
Pension reserve	(1,331,000)	(1,468,000)
	<hr/>	<hr/>
Total	<u>(694,761)</u>	<u>(921,781)</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
St Alban's Catholic Academy	570,549	161,820	65,586	211,219	1,009,174	1,022,609
St Luke's Catholic Primary School	597,346	152,917	55,281	399,264	1,204,808	1,161,988
Central services	193,829	82,162	185	37,901	314,077	357,661
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,361,724</u>	<u>396,899</u>	<u>121,052</u>	<u>648,384</u>	<u>2,528,059</u>	<u>2,542,258</u>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Transfers in/(out) & gains/(losses) £	Balance at 31 August 2017 £
Unrestricted funds	303,389	76,765	(179,554)	-	-	200,600
Restricted funds						
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>(1,204,000)</u>	<u>2,073,804</u>	<u>(2,201,804)</u>	<u>-</u>	<u>153,000</u>	<u>(1,179,000)</u>
Restricted fixed asset funds						
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>97,463</u>	<u>160,900</u>	<u>(201,744)</u>	<u>-</u>	<u>-</u>	<u>56,619</u>
Total restricted funds	<u>(1,106,537)</u>	<u>2,234,704</u>	<u>(2,403,548)</u>	<u>-</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>-</u></u>	<u><u>153,000</u></u>	<u><u>(921,781)</u></u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	38,816	38,816
Debtors due after more than 1 year	-	193,000	-	193,000
Current assets	584,098	96,000	-	680,098
Creditors due within one year	(344,123)	-	116,500	(227,623)
Creditors due in more than one year	(48,052)	-	-	(48,052)
Provisions for liabilities and charges	-	(1,331,000)	-	(1,331,000)
	<u>191,923</u>	<u>(1,042,000)</u>	<u>155,316</u>	<u>(694,761)</u>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(79,980)	(271,633)
Adjustment for:		
Depreciation charges	36,671	40,844
Interest received	(128)	(249)
Increase in debtors	(139,675)	(18,121)
Decrease in creditors	(140,475)	(352,064)
Defined benefit pension scheme finance cost	63,000	31,000
Defined benefit pension adjustment	107,000	97,000
Net cash used in operating activities	<u>(153,587)</u>	<u>(473,223)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	306,903	481,230
Total	<u>306,903</u>	<u>481,230</u>

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.

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 £28,293 were payable to the schemes at 31 August 2018 (2017 - 26,739) 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;
- 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%.

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 £ 123,851 (2017 - £112,844).

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

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

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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 2018 was £137,000 (2017 - £137,000), of which employer's contributions totalled £116,000 (2017 - £104,000) and employees' contributions totalled £21,000 (2017 - £33,000). The agreed contribution rates for future years are % 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

As at the 31 August the Trust had a pension liability of £1,331,000 (2017 - £1,468,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way.

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(56,000)	(54,000)
Discount rate -0.1%	57,000	55,000
Mortality assumption - 1 year increase	80,000	78,000
Mortality assumption - 1 year decrease	(77,000)	(75,000)
CPI rate +0.1%	51,000	47,000
CPI rate -0.1%	(50,000)	(46,000)

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	730,000	613,000
Gilts	62,000	58,000
Other bonds	67,000	37,000
Property	103,000	91,000
Cash and other liquid assets	40,000	30,000
Alternative assets	103,000	72,000
Other managed funds	45,000	40,000
	<hr/>	<hr/>
Total market value of assets	1,150,000	941,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £61,000 (2017 - £117,000).

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

	2018 £	2017 £
Current service cost	(250,000)	(201,000)
Interest income	-	18,000
Interest cost	(36,000)	(49,000)
	<hr/>	<hr/>
Total	(286,000)	(232,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	61,000	117,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	2,409,000	2,223,000
Current service cost	250,000	201,000
Interest cost	63,000	49,000
Employee contributions	21,000	33,000
Actuarial gains	(273,000)	(93,000)
Benefits paid	(3,000)	(4,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,467,000	2,409,000
	<hr/> <hr/>	<hr/> <hr/>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	941,000	730,000
Interest income	27,000	18,000
Actuarial gains	34,000	60,000
Employer contributions	116,000	104,000
Employee contributions	21,000	33,000
Benefits paid	(3,000)	(4,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,136,000	941,000
	<hr/> <hr/>	<hr/> <hr/>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	5,645	5,645
Between 1 and 5 years	14,582	20,227
	<hr/>	<hr/>
Total	20,227	25,872
	<hr/> <hr/>	<hr/> <hr/>

OUR LADY OF FATIMA CATHOLIC MULTI ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

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 period the Academy incurred expenditure of £5,810 (2017 - £Nil) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of Our Lady of Fatima Catholic Multi Academy Trust, is a director of the sole trustee of The Brentwood Roman Catholic Diocesan Trust. At the year end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of The Brentwood Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.

During the year ended 31 August 2018 the Trust paid wages and other expenses of £41,264 (2017: £58,501) in relation to the Pre-School of St Albans Catholic Academy of which Mr Reynolds is a Trustee. At the year end £41,182 was owing to the Trust (2017: £22,962). The amount recharged represents a full recovery of the costs incurred by the Trust.