

Registered number: 07696989

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members Rt Reverend Alan Williams
Father Stephen Myers
Mr Robert Simpson

Trustees Mr Frank McEvoy, Chair of Trustees (appointed 1 April 2018)
Mrs Melanie Clayton, Trustee (appointed 1 April 2018)
Mr John Foster, Trustee (appointed 1 April 2018)
Mr David Micklewright, Trustee (appointed 1 April 2018)
Mr Joe Parsad, Trustee (appointed 1 April 2018)
Mr Matthew Stewart, Trustee (appointed 1 April 2018)
Mr John Upsher, Trustee (appointed 1 April 2018)

Company number registered 07696989

Company name Assisi Catholic Trust

Principal and registered office Kenilworth Gardens
Westcliff on Sea
Essex
SS0 0BW

Company secretary Mr Geoffrey Prior

Chief executive officer Mrs Gemma Ackred

Senior management team Mrs G Ackred, Chief Accounting Officer & Headteacher, St Thomas More High School
Mrs S Nutman, Executive Headteacher, Our Lady of Lourdes and Sacred Heart Primary Schools
Mr G Prior, Chief Financial Officer and Company secretary

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditor	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
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Bankers	Lloyds TSB 77 High Street Southend-on-Sea Essex SS1 1HT
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ASSISI CATHOLIC TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

On the 1st May 2018, St Thomas More converted to a Sponsor Multi Academy Trust (MAT) and changed its name to Assisi Catholic Trust. Our Lady of Lourdes Catholic Primary School and Sacred Heart Catholic Primary School joined the MAT on the 1st May 2018.

Assisi Catholic Trust operates two primary academies and one secondary academy in South East Essex. Its academies have a combined pupil capacity of 1,774 and had a roll of 1,759 in the school census January 2018.

Structure, governance and management

CONSTITUTION

The Academy Trust ("The Academy") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Assisi Catholic Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Assisi Catholic Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Diocesan Bishop appoints the members of the Trust. The members appoint the Trustees, taking into account the skills and expertise necessary for effective operation of the Board. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Articles of Association.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

As there are only normally a handful (one or two) new Trustees in a year and as the backgrounds of individual Trustees differs hugely, induction is via external formal training sessions plus informal induction tailored to the needs of the individual. Where necessary, training will be provided on educational legal and financial matters. All new trustees are encouraged to visit the various schools, to meet with the Headteacher, staff and pupils, and are provided with key documents such as the Articles of Association, the Scheme of Delegation, policies, procedures, minutes, budgets, accounts, plans and any other documents necessary to undertake their role as Trustees.

ORGANISATIONAL STRUCTURE

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified in the scheme of delegation. The Trustees are responsible for determining overall strategy, adopting an annual plan and budget, monitoring the Trust's financial and operational performance, reviewing the educational progress of all academies and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

Local Governing Committees (LGCs) at each Academy are committees of the Trust Board. They have delegated responsibility for key aspects of each school, including ensuring clarity of vision and ethos, holding the Headteacher to account and ensuring that funding is well spent. The Board of Trustees retains formal accountability for the operation of each school, and for the strategic management and operation of the Trust as a whole. Risk management and governance is scrutinised by the Trust's Audit committee. The Trust Board, its committees and LGCs meet at least once every term.

The day-to-day management of the Trust is the responsibility of the Chief Executive Officer, who is also the Trust's Accounting Officer. Responsibility for the day-to-day running of each school is delegated by each LGC to its Headteacher.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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.

The Resources committee of Trustees approves all amendments to key management's pay and remuneration.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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.

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

Objectives and Activities

OBJECTS AND AIMS

The object of the Trust is to establish, maintain and develop Catholic schools (and other schools, subject to the approval of the Bishop) within the Diocese.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The mission statement of Assisi Catholic Trust is:

"Our mission is to inspire the children in our care and that our schools place Christ and the teaching of the Catholic Church at the centre of all we do. We believe that every child has a right to educational excellence and we will strive together in partnership to ensure this happens."

Our Motto is:

'Start doing what is necessary, then do what's possible and suddenly you are doing the impossible'

The principal objective and activity of the Trust in the period under review was to continue to improve the educational outcomes for all of its pupils.

This has not yet been a full year for Assisi Catholic Trust and incorporates one high school and 2 primary schools. Educational standards have shown continued improvement especially in Our Lady of Lourdes which is an academy sponsored by the Trust. Structures and reporting mechanisms have been established between the Executive Headteacher and CAO, which makes it possible to report on current assessment of student achievement and progress.

The Catholic life of the schools has also been enhanced with shared activities and worship.

PUBLIC BENEFIT

The key public benefit delivered by Assisi Catholic Trust is the maintenance and delivery of high quality education to the children of South East Essex and the surrounding areas and parishes.

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties

Strategic report

ACHIEVEMENTS AND PERFORMANCE

In our first four months, the Trustees of the Assisi Catholic Trust have appointed a Chief Accounting Officer who will lead on the day to day management of the Trust and build on the continued educational successes demonstrated across the schools.

The success of the securing the role of Executive Headteacher across both Primary schools from the successful and experienced Headteacher of Sacred Heart Primary School has been evidenced by much improved leadership capacity across both schools and systems developed to underpin and sustain further improvement in teaching and learning across both schools. Good practice is being shared between schools and the appointment of Assistant Headteachers will strengthen this collaborative working and will imbed good practice across the Trust.

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

Specific achievements were as follows:

KS2 results (% of pupils)	Achieving the expected standard in reading writing and maths combined		Achieving the higher standard in reading, writing and maths combined		Disadvantaged pupils achieving the expected standard in reading, writing and maths combined	Disadvantaged pupils achieving the higher standard in reading, writing and maths combined
	2018	2017	2018	2017	2018	2018
Sacred Heart	73.33	56.57	6.67	20.00	67	17
Our Lady of Lourdes	67.74	91.53	14.52	16.95	50	0
National	61.14	61.14	9.84	8.69	70 (for non disadvantaged)	12 (for non disadvantaged)

	KS4 Attainment 8		Attainment % Eng % Maths (Grade 4+)		KS4 Progress 8		Progress % Eng & Maths (Grade 4+)	
	2018	2017	2018	2017	2018	2017	2018	2017
St Thomas More High School	5.2	5.0	80	75	0.43	0.00	+13	+6
National	4.5	4.5	63	63	0.00	0.00	0.00	0.00

Both attainment and progress figures at KS4 according FFT aspire suggest St Thomas More High School KS4 results are significantly above the national average, across all measures placing us in the top 20th percentile of schools nationally.

St Thomas More continues to achieve excellent results at both GCSE and A level which is particularly noteworthy at this time of educational change.

In appointing Trustees to the board an audit of skills of each member, took place in Spring 2018. This will be reviewed annually and each time a new Trustee is appointed as it will enables us to review the mix of skills of each of the committees and assess the training which needs to take place during the following year. The newly appointed board have also carried out a baseline review which will help to benchmark impact and outcomes during our first year as a multi academy trust.

In order to be kept fully up to date, all Trustees are included in the circulation of the newsletters for each school, which provides Trustees a clearer context of School life as a background to their meetings and potential visits. Trustees have also offered support to local governing committees in recruitment of governors and at local governing committee meetings as the Trust moves into its first full year.

KEY PERFORMANCE INDICATORS

The Trustees receive regular information at each meeting to enable them to monitor the performance of the academies compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2018 as at January census were 1759 against a forecast of 1774.

Another key financial performance indicator is staffing costs across the academies as a percentage of total income. For 2017/2018 this was 69.6% against expected of 78.7%. The Board of Trustees is confident that staffing levels can be closely monitored in each academy to agreed Full Time Equivalent and staffing structures are all approved by the local governing committees.

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

GOING CONCERN

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

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Skills Funding agency (ESFA). For the year ended 31 August 2018 the Trust had income of £8,930,414. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust had expenditure of £7,878,152 on expenditure and transferred £1,148,528 to support capital new build and improvement projects on the School site. The Academy brought forward from 16/17, £847,569 (deficit) restricted funds and £1,119,677 surplus unrestricted funding. The carry forward for 17/18 is £634,540 restricted funding and £1,237,830 surplus unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,983,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

RESERVES POLICY

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year end carry forward figures via the monthly reports from the Business Managers. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,237,830. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance of restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £4,855,370 (2017 - £2,436,108).

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,876,742. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum the equivalent of approx. one month's expenditure to cover short term cash flow variances

At 31 August 2018 the total funds comprised:

Unrestricted:		£1,237,830
Restricted:	Fixed asset funds	£1,492,540
	Pension Reserve	(£2,983,000)
	Other	£2,125,000
Total Funds		£1,872,370

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

INVESTMENT POLICY

An Investment Policy was approved by the Board of Trustees

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing an academy at an operational level are addressed by its systems and by internal financial and other controls.

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.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a multi academy trust, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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

- the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Financial pressures on school budgets continue especially with the lifting of the salary cap for public sector staff. The introduction of the apprenticeship levy has added additional cost pressures and some academies in the Trust have undertaken staffing adjustments during the year to ensure the Trust's finances continue on a sound footing.
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy and therefore the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standard of each academy. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- admissions - pupil numbers in an increasing competitive education landscape particularly in the smaller schools of the MAT;
- fraud and mismanagement of funds - The Trust has appointed Mrs Carol Gradwell to carry out

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

independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;

- financial instruments – the MAT only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist. The main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust continues to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for future periods

FUTURE DEVELOPMENTS

The strategic aims of the Assisi Catholic Trust are:

- To further develop the distinctive Catholic nature of the schools and the Trust.
- To build a culture of success and achievement across all schools in the Trust.
- To develop every child and young person so that they achieve and are successful, confident, independent and resilient learners for life.
- To develop and embed sustainable, high quality and robust Catholic leadership across the Trust.
- To develop inspirational teaching that fosters aspirational learning.
- To strengthen engagement between our schools and our communities expanding our Trust to include all Deanery schools.
- To prioritise excellence in facilities, staffing and resourcing.

The local area is expected to have a lack of school places in the next few years and the Trust will continue to work within the local area plans, in conjunction with the local authority, to help cope with this by completing the planned programme of expansion in two of the schools in the Trust.

Following reviews of the current and past financial results it has been decided to continue to adopt a challenging approach to staffing levels and costs in order to meet the decline in funding.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian Trustee.

EMPLOYEES

The Trustees recognise their responsibilities under equality legislation, specifically the Equality Act 2010. All those taking part in the recruitment and selection process have responsibility for applying the Trust's policy on equal opportunities to avoid unlawful discrimination. The Trustees recognise that all public sector organisations are under a single equality duty to demonstrate that they are achieving equality in their workforce across all protected characteristics.

The head teachers of all the academies meet on a regular basis to ensure an exchange of views. Joint training happens with a plan to further increase capacity for this with joint inset days throughout the year as well as link meetings of departments across the Trust.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **11/12/18** and signed on its behalf by:

Mr Frank McEvoy
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE/OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Assisi Catholic 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 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 Assisi Catholic 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 Governors of St Thomas More High School met twice prior to conversion. The Board of Trustees has formally met four times during the year post conversion.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Frank McEvoy, Chair of Trustees	4	4
Mrs Melanie Clayton, Trustee	1	1
Mr John Foster, Trustee	3	4
Mr David Micklewright, Trustee	4	4
Mr Joe Parsad, Trustee	3	4
Mr Matthew Stewart, Trustee	4	4
Mr John Upsher, Trustee	4	4

The Finance and General Purposes Committee is a sub-committee comprised of members of the main board of Trustees

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Micklewright, Trustee	1	2
Joe Parsad, Trustee	1	2
John Foster, Trustee	2	2
Alan Juniper, Local Governing Body	2	2
Christina Mupati, Local Governing Body	1	2
Gemma Ackred, Accounting Officer	1	2
Nikita Parr, Clerk	2	2

On the 1st April 2018 St Thomas More High School converted to become Assisi Catholic Trust a Sponsor Multi Academy Trust. The Governors at that date resigned and new Trustees/ Directors were appointed.

A review of the scheme of delegation took place prior to the 1st April 2018, which resulted in a new scheme of delegation being agreed for the new MAT.

In advance of the conversion and the appointment of the new Trustees a skills audit was undertaken in conjunction with the diocese of Brentwood.

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GOVERNANCE STATEMENT (continued)

The Board of Trustees acting in accordance with the Financial Regulations intends to have a separate Audit Committee and have appointed an independent Internal Auditor.

Governance Review

The Trust Board undertook a self-appraisal and skills audit in May 2018, which identified primary education as a key area to strengthen. Successful recruitment obtained an additional trustee with expertise in this field. Challenge would be strengthened by assigning Trustees to a specific committee and it has been identified that further expertise in finance and audit is necessary in the next round of recruitment and is mindful to improve the gender balance. Terms of reference have been drawn up for each of the committees.

The Resources committee is a committee of the main board of trustees. Its main purposes are:

- the initial review and authorisation of the annual budget for each Academy;
- the regular monitoring and scrutiny of the Academy management accounts;
- reviewing any Trust Procurement Policy and the Scheme of Financial Delegation;
- reviewing and checking details of any contracts and purchases by the Academy;
- authorising the award of contracts and purchases;
- liaising as necessary with the Trust's Audit Committee (or the Trust Board if appropriate) to ensure accountability and propriety and to manage the level of financial risk within the Trust as well as review the effectiveness of the financial procedures and controls.

The Audit committee is also a committee of the main board of trustees. Its main purposes are to:

- review systems of internal control and arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
- review the Statement on Internal Control;
- advise the Directors on the appointment, reappointment, dismissal and remuneration of auditors and monitor their effectiveness;
- consider the reports of auditors and, when appropriate, advise the Directors of material controls issues;
- monitor implementation of agreed audit recommendations.

The Standards committee is also a committee of the main board of trustees. Its main purposes are to:

- review curriculum and pedagogy;
- review the Catholic life of the schools in the Trust;
- consider the reports of Chief Accounting Officer on academic outcomes and achievements of academies;
- monitor implementation of agreed trust wide peer review process to implement school improvement.

Long term strategy for MAT development would be considered in parallel with education plans and vision from the Diocese. The trust members intend to continue their rolling programme of self-review during the year with a formal review in the summer term of 2019.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy 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 for the Academy Trust has delivered improved value for money during the year by:

- Rigorously challenging performance of the academies in the MAT to demonstrate continued educational improvement.
- Working towards an in house solution to ICT infrastructure and maintenance across the Trust to be in place from January 2020. This will provide cost savings across the Trust using current staff expertise and

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GOVERNANCE STATEMENT (continued)

- future staff training and development.
- Undertaking staffing reviews and adjustments to ensure the ongoing financial stability of the Trust schools.

Arrangements are also in place to ensure consistency of good practice and good educational outcomes across the academies of the Trust with the appointment of NAHT APSIRE peer review process. This will oversee self evaluation and development of school and Trust wide development plans to ensure the Trust is getting value for money from the provision.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Assisi Catholic 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy 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.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Carol Gradwell, as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal auditor reports to the trustees on the operation of systems of control and on the discharge of the Board of Trustees financial responsibilities

In particular the checks carried out in the current period include a risk based review of systems and processes

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GOVERNANCE STATEMENT (continued)

covering

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

REVIEW OF EFFECTIVENESS

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

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

Approved by order of the members of the board of Trustees on 11/12/16 and signed on their behalf, by:

Mr Frank McEvoy
Chair of Trustees

Mrs Gemma Ackred
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Assisi Catholic Trust I have considered my responsibility to notify the academy trust 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 academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

Mrs Gemma Ackred
Accounting Officer

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 11/12/18 and signed on its behalf by:

Mr Frank McEvoy
Chair of Governors

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSISI CATHOLIC TRUST

OPINION

We have audited the financial statements of Assisi Catholic Trust (the 'Academy 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', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 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 & Skills Funding Agency.

BASIS FOR OPINION

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

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSISI CATHOLIC TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ASSISI CATHOLIC TRUST

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Rakesh Shaunak.FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 19 DEC 18

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSISI CATHOLIC TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 October 2017 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 Assisi Catholic 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 Assisi Catholic Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Assisi Catholic 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 Assisi Catholic Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ASSISI CATHOLIC TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Assisi Catholic Trust's funding agreement with the Secretary of State for Education 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 Academy Trust's income and expenditure.

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSISI CATHOLIC TRUST AND THE EDUCATION & 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

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 18 Dec 18

ASSISI CATHOLIC 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	456,207	291,468	1,471,515	2,219,190	474,213
Charitable activities	3	55,695	6,595,993	-	6,651,688	5,714,033
Other trading activities	4	57,120	-	-	57,120	29,391
Investments	5	2,416	-	-	2,416	936
TOTAL INCOME		571,438	6,887,461	1,471,515	8,930,414	6,218,573
EXPENDITURE ON:						
Charitable activities		453,285	7,349,461	75,406	7,878,152	6,231,492
TOTAL EXPENDITURE	6	453,285	7,349,461	75,406	7,878,152	6,231,492
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		118,153	(462,000)	1,396,109	1,052,262	(12,919)
Actuarial gains on defined benefit pension schemes	23	-	548,000	-	548,000	588,000
NET MOVEMENT IN FUNDS		118,153	86,000	1,396,109	1,600,262	575,081
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,119,677	(944,000)	96,431	272,108	(302,973)
TOTAL FUNDS CARRIED FORWARD		1,237,830	(858,000)	1,492,540	1,872,370	272,108

The notes on pages 25 to 48 form part of these financial statements.

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07696989

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		1,169,553		96,431
CURRENT ASSETS					
Debtors	15	2,555,268		1,309,814	
Cash at bank and in hand		1,876,742		1,349,372	
		<u>4,432,010</u>		<u>2,659,186</u>	
CREDITORS: amounts falling due within one year	16	<u>(746,193)</u>		<u>(319,509)</u>	
NET CURRENT ASSETS			3,685,817		2,339,677
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,855,370</u>		<u>2,436,108</u>
Defined benefit pension scheme liability	23		<u>(2,983,000)</u>		<u>(2,164,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,872,370</u>		<u>272,108</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	2,125,000		1,220,000	
Restricted fixed asset funds	17	1,492,540		96,431	
		<u>3,617,540</u>		<u>1,316,431</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(2,983,000)</u>		<u>(2,164,000)</u>	
Total restricted income funds			634,540		(847,569)
Unrestricted income funds	17		<u>1,237,830</u>		<u>1,119,677</u>
TOTAL FUNDS			<u>1,872,370</u>		<u>272,108</u>

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue, on 11/12/18 and are signed on their behalf, by:

Mr Frank McEvoy
Chair of Trustees

ASSISI CATHOLIC 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)/provided by operating activities	19	(944,033)	268,482
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,416	936
Purchase of tangible fixed assets		(1,148,528)	(42,256)
Capital grants from DfE Group		1,471,515	45,023
Defined benefit pension scheme obligation inherited		1,146,000	-
Net cash provided by investing activities		1,471,403	3,703
Change in cash and cash equivalents in the year		527,370	272,185
Cash and cash equivalents brought forward		1,349,372	1,077,187
Cash and cash equivalents carried forward	20	1,876,742	1,349,372

The notes on pages 25 to 48 form part of these financial statements.

ASSISI CATHOLIC 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 academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in pound sterling which is the functional currency of the Academy Trust and are rounded to the nearest pound.

Assisi Catholic Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Fund accounting

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

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

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

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

Capital grants are recognised when there is 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.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations 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.

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 Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 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.

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:

Astro turf	-	7 years straight line
Furniture and fixtures	-	10 years straight line
Kitchen equipment	-	3 years straight line

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

1.7 Debtors

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

1.8 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.

1.9 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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 note 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.

1.11 Taxation

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

1.12 Pensions

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

1.13 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Our Lady of Lourdes Catholic Primary School and Sacred Heart Catholic Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transferred on conversion in the Statement of Financial Activities Incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

The treatment of land and buildings is detailed at notes 14 and 21.

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	17,051	1,437,468	-	1,454,519	429,190
Transferred on conversion	439,156	(1,146,000)	-	(706,844)	-
Capital Grants	-	-	1,471,515	1,471,515	45,023
	<u>456,207</u>	<u>291,468</u>	<u>1,471,515</u>	<u>2,219,190</u>	<u>474,213</u>
Total 2017	<u>22,190</u>	<u>407,000</u>	<u>45,023</u>	<u>474,213</u>	

ASSISI CATHOLIC TRUST
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,857,752	5,857,752	4,891,515
Pupil Premium	-	129,949	129,949	176,566
Other DfE/ESFA Grants	-	311,154	311,154	57,709
	-	6,298,855	6,298,855	5,125,790
Other government grants				
Local Authority Grants	-	87,133	87,133	109,971
	-	87,133	87,133	109,971
Other income from educational operations				
Catering Income	5,703	-	5,703	242,489
Trip Income	-	187,890	187,890	175,880
Other Income	49,992	22,115	72,107	59,903
	55,695	210,005	265,700	478,272
	55,695	6,595,993	6,651,688	5,714,033
Total 2017	256,535	5,457,498	5,714,033	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	31,074	-	31,074	22,615
Other Income	26,046	-	26,046	6,776
	57,120	-	57,120	29,391
Total 2017	29,391	-	29,391	

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FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	2,416	-	2,416	936
Total 2017	936	-	936	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	3,762,571	-	482,930	4,245,501	3,624,181
Support costs	1,842,023	933,144	857,484	3,632,651	2,607,311
	5,604,594	933,144	1,340,414	7,878,152	6,231,492
Total 2017	4,658,751	698,571	874,170	6,231,492	

In 2017 of the total expenditure of £6,231,492, £236,429 was from unrestricted funds, £5,915,739 was from restricted funds and £79,324 was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	4,245,501	3,632,651	7,878,152	6,231,492
Total 2017	3,624,181	2,607,311	6,231,492	

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8. SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	65,000	65,000	55,000
Technology costs	124,609	124,609	65,114
Premises costs	1,118,612	1,118,612	634,723
Other costs	457,221	457,221	278,253
Governance costs	14,780	14,780	12,000
Wages and salaries	1,777,023	1,777,023	1,482,897
Depreciation	75,406	75,406	79,324
	<u>3,632,651</u>	<u>3,632,651</u>	<u>2,607,311</u>
Total 2017	<u>2,607,311</u>	<u>2,607,311</u>	

During the year ended 31 August 2018, the Academy Trust incurred the following Governance costs:
Total auditor's fees of £14,780 (2017 - £12,000).

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	75,406	79,324
Auditor's remuneration - audit	12,000	8,750
Auditor's remuneration - other services	2,780	3,250
	<u>89,186</u>	<u>91,324</u>

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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,231,690	3,527,742
Social security costs	399,795	300,176
Operating costs of defined benefit pension schemes	835,046	627,376
	<u>5,466,531</u>	<u>4,455,294</u>
Agency staff costs	59,463	148,457
Staff restructuring costs	13,600	-
Pension finance cost	65,000	55,000
	<u>5,604,594</u>	<u>4,658,751</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £13,600 (2017:£Nil). Individually, the payments were: £10,000 and £3,600.

c. Staff numbers

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

	2018 No.	2017 No.
Teaching	94	57
Administration & support	127	70
Management	14	8
	<u>235</u>	<u>135</u>

d. 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 £60,001 - £70,000	4	3
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	0

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

e. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Trustees, the Senior Management Team as listed on page 1, and the deputy headteachers and subject directors of the sponsor academy. The total amount of employee benefits (including employer national insurance and pension contributions) received by Key Management Personnel for their services to the Academy Trust was £703,681 (2017 - £647,027).

11. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
Mrs G Ackred, Principal	Remuneration	105,000-110,000	85,000-90,000
	Pension contributions paid	15,000-20,000	10,000-15,000

During the year ended 31 August 2018, reimbursement of expenses for travel and subsistence totalling £Nil (2017 - £295).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold property £	Asset under construction £	Furniture and fixtures £	Plant and equipment £	Total £
Cost					
At 1 September 2017	213,267	-	80,358	294,867	588,492
Additions	-	1,040,679	9,416	98,433	1,148,528
At 31 August 2018	213,267	1,040,679	89,774	393,300	1,737,020
Depreciation					
At 1 September 2017	182,802	-	45,623	263,636	492,061
Charge for the year	30,465	-	8,955	35,986	75,406
At 31 August 2018	213,267	-	54,578	299,622	567,467
Net book value					
At 31 August 2018	-	1,040,679	35,196	93,678	1,169,553
At 31 August 2017	30,465	-	34,735	31,231	96,431

The Academy owns 5 acres of land, which has been included in the accounts at nil value.

Included within freehold land is an astroturf pitch which has been included in the accounts based on the valuation provided by the Trustees using depreciated replacement cost. Trustees do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

The Academy 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 Academy Trust occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised or valued within fixed assets.

There have been alterations to the buildings used by the Academy Trust during the year, funded by a CIF grant. The Trustees have reviewed the terms of the agreement and have reflected on the guidance detailed in the Academies Accounts Direction. The trustees have concluded that the alterations to the buildings, funded by a Basic Need Grant, should be recognised as an asset of the Academy Trust as the Academy Trust controls the building, and has obtained the funding for these alterations. These improvements are capitalised and will be depreciated over their useful life once the building alterations are complete.

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15. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors	2,125,000	1,220,000
Due within one year		
Trade debtors	30,504	2,243
VAT repayable	91,992	18,400
Prepayments and accrued income	307,772	69,171
	<u>2,555,268</u>	<u>1,309,814</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	60,942	106,213
Other taxation and social security	309,082	82,880
Accruals and deferred income	376,169	130,416
	<u>746,193</u>	<u>319,509</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	61,401	67,728
Resources deferred during the year	267,221	61,401
Amounts released from previous years	(61,401)	(67,728)
Deferred income at 31 August 2018	<u>267,221</u>	<u>61,401</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2018-19 academic year in respect of educational visits and UIFSM funding.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	1,119,677	571,438	(453,285)	-	-	1,237,830
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	5,857,752	(5,857,752)	-	-	-
Pupil Premium	-	129,949	(129,949)	-	-	-
Other DfE/ESFA	-	311,154	(311,154)	-	-	-
Local authority grants	-	87,133	(87,133)	-	-	-
Other Income	-	742,473	(742,473)	-	-	-
Donation In Kind	1,220,000	905,000	-	-	-	2,125,000
Pension Reserve	(2,164,000)	(1,146,000)	(221,000)	-	548,000	(2,983,000)
	(944,000)	6,887,461	(7,349,461)	-	548,000	(858,000)
Restricted fixed asset funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
NBV of Fixed Assets	96,431	-	(75,406)	1,148,528	-	1,169,553
Capital Grants	-	1,471,515	-	(1,148,528)	-	322,987
	96,431	1,471,515	(75,406)	-	-	1,492,540
Total restricted funds	(847,569)	8,358,976	(7,424,867)	-	548,000	634,540
Total of funds	272,108	8,930,414	(7,878,152)	-	548,000	1,872,370

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

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

The General Fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other DfE / ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The Other Government revenue grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational Income fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

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

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**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 Thomas More High School	1,884,432	2,339,677
Our Lady of Lourdes Catholic Primary School	674,347	-
Sacred Heart Catholic Primary School	804,051	-
	<u>3,362,830</u>	<u>2,339,677</u>
Total before fixed asset fund and pension reserve		
	1,492,540	96,431
Restricted fixed asset fund	(2,983,000)	(2,164,000)
Pension reserve		
	<u>1,872,370</u>	<u>272,108</u>
Total		

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 £
Sacred Heart Catholic Primary School	349,535	96,695	13,871	56,786	516,887	-
Our Lady of Lourdes Catholic Primary School	386,237	81,554	33,411	70,645	571,847	-
St Thomas More High School	3,464,992	1,223,217	554,929	1,345,406	6,588,544	-
	<u>4,200,764</u>	<u>1,401,466</u>	<u>602,211</u>	<u>1,472,837</u>	<u>7,677,278</u>	

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	920,528	309,052	(236,429)	126,526	-	1,119,677
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	4,891,515	(4,767,756)	(123,759)	-	-
Pupil Premium	-	126,285	(126,285)	-	-	-
Other DfE/ESFA	-	69,562	(69,562)	-	-	-
Other Grants	-	109,971	(109,971)	-	-	-
Other Income	-	260,165	(260,165)	-	-	-
Donation In Kind	1,220,000	407,000	(407,000)	-	-	1,220,000
Pension Reserve	(2,577,000)	-	(175,000)	-	588,000	(2,164,000)
	<u>(1,357,000)</u>	<u>5,864,498</u>	<u>(5,915,739)</u>	<u>(123,759)</u>	<u>588,000</u>	<u>(944,000)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Net Book Value of Fixed Assets	133,499	-	(79,324)	42,256	-	96,431
Capital Grants	-	45,023	-	(45,023)	-	-
Total restricted funds	<u>(1,223,501)</u>	<u>5,909,521</u>	<u>(5,995,063)</u>	<u>(126,526)</u>	<u>588,000</u>	<u>(847,569)</u>
Total of funds	<u><u>(302,973)</u></u>	<u><u>6,218,573</u></u>	<u><u>(6,231,492)</u></u>	<u><u>-</u></u>	<u><u>588,000</u></u>	<u><u>272,108</u></u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,169,553	1,169,553
Debtors due after more than 1 year	-	2,125,000	-	2,125,000
Current assets	1,984,023	-	322,987	2,307,010
Creditors due within one year	(746,193)	-	-	(746,193)
Provisions for liabilities and charges	-	(2,983,000)	-	(2,983,000)
	<u>1,237,830</u>	<u>(858,000)</u>	<u>1,492,540</u>	<u>1,872,370</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	96,431	96,431
Debtors due after more than 1 year	-	1,220,000	-	1,220,000
Current assets	1,097,441	341,745	-	1,439,186
Creditors due within one year	22,236	(341,745)	-	(319,509)
Provisions for liabilities and charges	-	(2,164,000)	-	(2,164,000)
	<u>1,119,677</u>	<u>(944,000)</u>	<u>96,431</u>	<u>272,108</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,052,262	(12,919)
Adjustment for:		
Depreciation charges	75,406	79,324
Dividends, interest and rents from investments	(2,416)	(936)
Increase in debtors	(1,245,454)	(52,021)
Increase in creditors	426,684	125,057
Capital grants from DfE and other capital income	(1,471,515)	(45,023)
Defined benefit pension scheme cost less contributions payable	156,000	120,000
Defined benefit pension scheme finance cost	65,000	55,000
Net cash (used in)/provided by operating activities	<u>(944,033)</u>	<u>268,482</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,876,742	1,349,372
Total	<u>1,876,742</u>	<u>1,349,372</u>

21. CONVERSION TO AN ACADEMY TRUST

On 1 May 2018 Our Lady of Lourdes Catholic Primary School and Sacred Heart Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Assisi Catholic Trust for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
LGPS pension surplus/(deficit)	-	(1,146,000)	-	(1,146,000)
Cash at bank and in hand	439,156	-	-	439,156
Net assets/(liabilities)	<u>439,156</u>	<u>(1,146,000)</u>	<u>-</u>	<u>(706,844)</u>

The above net assets/liabilities include £439,156 that were transferred as cash.

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>2,062,477</u>	<u>-</u>

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23. PENSION COMMITMENTS

The Academy 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.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 £601,047 (2017 - £457,376).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £291,000 (2017 - £214,000), of which employer's contributions totalled £234,000 (2017 - £170,000) and employees' contributions totalled £57,000 (2017 - £44,000). The agreed contribution rates for future years are 12.5% for employers and 5.5% to 7.5% 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 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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	24.6	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(152,000)	(87,000)
Discount rate -0.1%	155,000	89,000
Mortality assumption - 1 year increase	224,000	138,000
Mortality assumption - 1 year decrease	(215,000)	(133,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The above table reflects the movement in the present value of total obligation. Comparative figures have not been provided by the Actuary.

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,081,000	1,268,000
Glits	175,000	121,000
Other bonds	191,000	76,000
Property	292,000	188,000
Cash and other liquid assets	112,000	60,000
Alternative assets	294,000	148,000
Other managed funds	125,000	82,000
Total market value of assets	<u>3,270,000</u>	<u>1,943,000</u>

The actual return on scheme assets was £384,000 (2017 - £247,000).

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

	2018 £	2017 £
Current service cost	(390,000)	(290,000)
Interest income	60,000	37,000
Interest cost	(125,000)	(92,000)
Total	<u>(455,000)</u>	<u>(345,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	4,107,000	4,193,000
Upon conversion	2,073,000	-
Current service cost	390,000	290,000
Interest cost	125,000	92,000
Employee contributions	57,000	44,000
Actuarial gains	(466,000)	(447,000)
Benefits paid	(33,000)	(65,000)
Closing defined benefit obligation	<u>6,253,000</u>	<u>4,107,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,943,000	1,616,000
Upon conversion	927,000	-
Interest income	60,000	37,000
Actuarial losses	82,000	141,000
Employer contributions	234,000	170,000
Employee contributions	57,000	44,000
Benefits paid	(33,000)	(65,000)
Closing fair value of scheme assets	<u>3,270,000</u>	<u>1,943,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	10,569	9,744
Between 1 and 5 years	38,976	2,436
Total	<u>49,545</u>	<u>12,180</u>

25. 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.

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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.

27. POST BALANCE SHEET EVENTS

The Trust was joined by six further schools from 1st September 2018.

28. AGENCY ARRANGEMENTS

The Academy Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. during the year, the Academy Trust received £11,480 (2017 - £11,853) and disbursed £11,480 (2017 - £11,924). £Nil (2017 - £Nil) was retained to cover administration expenses and therefore a balance of £Nil (2017 - £218) was owed to the ESFA as at the balance sheet date.

29. CONTROLLING PARTY

The Academy is under the control of the Brentwood Diocesan Bishop.