

Registered number: 08561153

**FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC
ACADEMY TRUST IN EAST BERKSHIRE)**

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

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FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

John Frederick Nelson
Hans Daems
RT Rev Philip Egan (appointed 28th November 2016)
Rev James McGrath (appointed 28th November 2016)
Rev Canon Dominic Golding (appointed 28th November 2016)
Rev Canon Michael Denehy (appointed 28th November 2016)
Rev Dr Stephen Morgan (appointed 28th November 2016)
Howard Joseph McBrien (resigned 20th March 2017)

Trustees / Governors

Hans Daems (Chairman)
Janice Laycock (Chief Accounting Officer – Resigned 31st August 2017)
Jane Gow (resigned as CEO 30th November 2016)
Stephen Clay
Richard Evans
Martin McNamee
David Masters (elected as CEO 1st December 2016) (Chief Accounting Officer)
Stephen Poulston
Maria Illingworth
Father John Lee
Father Danny McAvoy
Caroline Johnson (elected 1st December 2016)

Local Governing Body – St Francis

Stephen Poulston (Chair Foundation – resigned 31st August 2017)
Sarah Chidede (Vice Chair- Foundation)
Clare Lewis (Co-opted – resigned 31st July 2017)
Richard Evans (Co-opted)
John Ware (Foundation)
Karen Inglis (Foundation – resigned 31st July 2017)
Fr Kevin Bidgood (Foundation from March 2017)
Michelle Guest-Gornall (Parent)
Zulema Maria Aragones-Monjas (Parent)
Caroline Johnson (Staff Governor then Head of School from 1st January 2017)
Jane Gow (Head – resigned 31st December 2017)
Angela Wilding (Associate)
Carmel Barnes (Staff Governor from March 2017)

Local Governing Body – St Margaret Clitherow

Stephen Clay (Chair)
Trudie Diprose (Vice)
Maria Illingworth
David Doyle
David Parkinson
Fr Danny McAvoy
Anne Gibbons
Chris Watts
Andy Ferrari
Alex Burzynski
Julie Baines
Doug Jennings

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Local Governing Body – St Mary’s

Hans Daems	(Chairman)
Martin McNamee	(Vice Chairman)
Fr John Lee	
Tim Manning	
Jenny Rye	
Alex Irvine-Fynn	
Andrew Fletcher	
Maria Sumner	
Marie Oke	
Natasha Lewington	
Andrew Adamson	(appointed 8 th May 2017)
Jonathan Holder	(appointed 8 th May 2017)
Francis Mallia	(appointed 8 th May 2017)
Una Mallia	(appointed 8 th May 2017)
Berj Tekeria	(appointed 13 th April 2017)
Janice Laycock	(resigned 31 st August 2016)
Helena Wood	(resigned 31 st July 2016)

Local Governing Body – St Mary’s Catholic Pre-School

Janice Laycock	(Chairman – resigned 31 st August 2017)
Michelle Truman	
Tim Manning	
Tori Rozputynski	
Vicky Hern	(Appointed November 2015)
Scott McDonnell	(Resigned June 2016)

Local Governing Body – St Edmund Campion

Julia Evans	Chair, Foundation Governor
Ed Robinson	Vice Chair, Foundation Governor
Nick Griffiths	Parent Governor
Sarah Armstrong	Foundation Governor
Dean Bickford	Foundation Governor
Niamh Minihane	Parent Governor
Patricia Opalko	Staff Governor
Jennifer Camp-Overy	Associate Governor
Sandra Barry – Staff Governor	(resigned 31 July 2017)
Father Jose Claveria – Foundation Governor	(resigned 31 July 2017)
Anna Walsh – Foundation Governor	
Alma Powell – Associate Governor	(resigned 31 August 2017)

Local Governing Body – St Teresa’s

Charlotte Exell	(Chair)
John Burns	(Vice Chair)
Sarah Huxford	(Vice Chair)
Lucy Littlejohns	
Anne-Marie Eden	
Anne-Louise Doe	
Fr. David O’Sullivan	(Resigned August 2017)
Matthew Sullivan	
Guy Smith-Bingham	
Fiona Hayward	
Caroline Robins	

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Senior Management Team - St Francis

Caroline Johnson (Head of School)
Jane Gow - Head Teacher (Resigned December 2016)
Lindsey Waller (Resigned August 2017)
Tanya Swan
Julia Gurney
Sarah Farrell (Bursar)
Carmel Barnes

Senior Management Team - St Margaret Clitherow

David Masters (Headteacher)
Lis Jones (Assistant Headteacher)
Rebecca Brown (Assistant Headteacher)

Senior Management Team - St Mary's

Janice Laycock (Headteacher)
Marie Oke (Deputy Headteacher)
Gill Hague
Jane Tempest
Elizabeth Cox
Neelam Chawla (School Business Manager)

Senior Management Team - St Mary's Catholic Pre-School

Michelle Truman (Manager)
Estelle Jack (Deputy)

Senior Management Team - St Edmund Campion

Patricia Opalko (Headteacher)
Sandra Barry (Deputy Headteacher - resigned 31 August 2017)
Jennifer Camp-Overy (Assistant Headteacher, Deputy Headteacher from 01 September 2017)
Kate Foreman (School Business Manager)
Emma Brookman
Jennifer McQuillan
Emily Tang

Senior Management Team St. Edmund Campion Nursery / Pre-School

Patricia Opalko
Alma Powell
Emma Brookman

Senior Management Team - St Teresa's

Nikki Peters (Headteacher)
Caroline Richards (Deputy Headteacher)
Karen Boucher (School Business Manager)
Liz Cook
Liz Jones
Jenni Chaffey
Elaine Gee

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Company Name

Frassati Catholic Academy Trust
(name changed on 22nd March 2017 from The Catholic Academy Trust in East Berkshire)

Principal and registered office

The Catholic Academies and Schools Office, St Swithun Wells House, Unit 1, 22 Edinburgh Road, Portsmouth PO1 1DH

Company registered number

08561153 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24-28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Frassati Catholic Academy Trust Lloyds Bank PLC branches:

Frassati Catholic Academy Trust	Paddington: 167-169 Edgware Road, Paddington, W2 2HR
St Francis	Windsor: 2 Thames St, Windsor Berkshire SL4 1PL
St Margaret Clitherow	Bracknell: 10 High Street, Bracknell, Berkshire, RG12 1BT
St Mary's	Maidenhead: 45 High Street, Maidenhead, Berkshire, SL6 1JS
St Mary's Pre-School	Maidenhead: 45 High Street, Maidenhead, Berks, SL6 1JS
St Edmund Campion	Maidenhead: 45 High Street, Maidenhead, Berkshire, SL6 1JS
St Teresa's	Bracknell: 10 High Street, Bracknell, Berkshire, RG12 1BT

Solicitors

Blake Morgan LLP, New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in East Berkshire. It has a pupil capacity of 1470 (St Francis 210, St Margaret Clitherow 210, St Mary's 315, St Edmund Campion 420, St Teresa's 315) and had a roll of St Francis 211, St Margaret Clitherow 203, St Mary's 308, St Edmund Campion 419, St Teresa's 315). The trust also operates a 56-place pre-school (St Marys pre-school 25, St Edmund Campion Pre-school 45 per session, St Teresa's pre-school 32 per session) for children aged 2½ to 4 years. This increases the total capacity to 1572 in the school census in January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Frassati Catholic Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Frassati Catholic Academy Trust.

The trustees of Frassati Catholic Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Frassati Catholic Academy Trust.

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £505.70 (2016: £433).

Method of Recruitment and Appointment or Election of Trustees

Frassati Catholic Academy Trust and the eleven Trustees were appointed from amongst the Local Governing Bodies of the schools and pre-school which currently make up the Trust. These appointments were approved by The Bishop of the Diocese of Portsmouth.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees receive training in their capacity as members of the Local Governing Bodies and through the Diocese of Portsmouth.

Organisational Structure

Frassati Catholic Academy Trust is a Multi Academy Trust which comprises five schools and three pre-schools. The Board of Trustees has delegated the day to day management of the schools and pre-schools to the Local Governing Bodies in accordance with the Scheme of Delegation. The budgets of the schools and pre-schools are approved by the Board of Trustees. The Head teacher of St Margaret Clitherow is the Chief Executive Officer and of St Mary's is the Accounting Officer. The Board of Trustees also approves the Admissions for the schools and pre-schools. The Finance and Pay Policies are academy documents.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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

Arrangements for setting pay and remuneration of key management personnel

Finance and Pay Policies are academy policies which apply to all the schools. Pay and remuneration is set in accordance with these policies which reflect the School Teachers Pay & Conditions Document 2017. Leadership and Main Scale teachers' pay is set through Performance Management Procedures. The Headteacher's Performance Management is set by a Governor Pay & Performance Committee under the guidance of an external specialist. Support staff Pay & Performance relates to grade and job description and follows LA guidance.

Related parties and other connected charities and organisations.

Frassati Catholic Academy Trust is a Multi Academy Trust with five schools and three pre-schools. All are part of a cluster of East Berkshire Catholic schools and all are members of the Encompass Learning Alliance Teaching School (based at St Francis). They are also party to other soft networks within the Royal Borough of Windsor & Maidenhead, Wokingham and Bracknell Forest areas. During the year ended 31st August 2017 there are no formal agreements between these schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of Frassati Catholic Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carry on, managing and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 2.5 and 11.

Frassati Catholic Academy Trust aims to provide an outstanding Catholic education to the children in the area.

Objectives, Strategies and Activities

Frassati Catholic Academy Trust's main strategy is currently embodied in all schools by:

- Being effective in our teaching so as to develop a child's intellect, experience and imagination growing teaching skills by ongoing inset and CPD, lesson observation and performance management to further improve the standards.
- Valuing every child as an individual with needs and aspirations who can make a distinct contribution to the life of the school community – each school provides a broad and balanced curriculum, which is developed each year to take advantage of opportunities, both nurturing and using all the talents of the children.
- Providing a stimulating and well-resourced environment in which children's achievements are celebrated and shared – the planned purchase of resources and the development of the learning environment is an ongoing process which contributes significantly to the outcomes for children.
- Encouraging everyone to have an understanding and tolerance of different religions, cultures, societies and people – The Catholic ethos of all the schools compliments the teaching of British values. Everyone understands that in a multi-cultural society with global responsibility it is essential that everyone values each other's viewpoints and respects both the rights and responsibilities all citizens have. this is done. This is ongoing throughout the year.
- Continually promoting a good rapport between pupils, all staff groups and parents - the partnership with parents underpins the school improvement and management plans of all the settings.
- Having high expectations of work and behaviour – The Frassati ethos places great emphasis on using the talents we have and behaving in a loving and caring way to all. Behaviour is recognised as excellent in all the settings by Ofsted.

In all the above cases attainment is measured through the outcomes for children both academic and social.

Public Benefit

The principal object and activity of Frassati Catholic Academy Trust in East Berkshire is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carry on, managing and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 2.5 and 11.

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

Public Benefit (continued)

Frassati Catholic Academy Trust aims to provide an outstanding Catholic education to the children in the area. The Academy Trust's trustees have complied with their duty to support the primary objectives of the Trust as detailed above, in accordance with Charity Commission Guidance.

STRATEGIC REPORT

Achievements and Performance

The Local Governing Bodies of the schools are pleased with the improved attainment and progress during the year to 31 August 2017 especially in the light of the changes to the National Curriculum, assessment and testing. In particular, it is noted that the schools' results at EYFS, KS1 and KS2 are at least in line and in most cases well above national and local levels. At the end of KS2 the schools' results were in line with or above the National Floor Standards for Age Related Expectations in RWM. Progress was within the acceptable limits set by the Department for Education.

2017 Outcomes for Pupils

St Francis

- EYFS % pupils achieving Good Levels of Development is well above the National Standard and there is a trend of improving standards over the last 4 years from 2014 = 62% to 80% in 2017. In addition, % pupils exceeding expected standard has also increased and is well above national and local standards.
- Year 1 Phonics results also show an improving trend over 3 years from 72% in 2014 to 87% in 2017. This is above the National and has improved at a faster rate than the National standards.
- Key Stage 1 Assessments for Reading, Writing and Maths were well above the National (R=87%, W=77% Maths 81%). % pupils reaching greater depth for R/W/M was in line with the National
- Key Stage 2 Test results showed that 87% pupils attained the expected standard in R/W/M combined; well above the National standard of 61%. Progress was significantly above National expectations for Maths.

St Margaret Clitherow:

- EYFS: 85% GLD – significantly above national. Risen from 60% from previous year.
- Phonics: 77% expected standard – issues with cohort and previous attainment low. Action plan in place.
- KS1: Reading 80% expected – broadly in line with national. Writing 80% expected – sig above national. Mathematics 83% - sig above national. Reading 30% GDS – above national. Writing 27% GDS – sig above national. Mathematics 30% GDS – sig above national.
- KS2: Reading 82% EPS+ – sig above national. Writing 86% EPS+ - sig above national. Mathematics 93% EPS+ - sig above national. GPS 82% EPS+ - above national. Reading 21% GD - broadly in line national. Writing 18% GD - above national. Mathematics 39% GD – sig above national. GPS 36% GD – sig above national. RWM 79% EPS+ - sig above national. RWM 11% GD – above national.

St Mary's

- EYFS 77% of children achieved ARE or prime areas of language and maths – this cohort included 51% EAL and 11% SEND including one child with an EHCP who has now moved to a specialist setting. In phonics 29% children accessed phase 4 with 31% reaching level 5. Staff changes also impacted on these results with a marked improvement on the arrival of the current staff.
- Year 1 phonics 77% were successful in the check. 30% of these children are EAL, with 2 children (5%) joining in the year; one a hard to place child and another from abroad. This is an ongoing improvement.
- KS1 Assessment - Maths 80% were ARE/ARE+ with 36% being ARE+, Reading 78% ARE/ARE+ with 40% being ARE+, Writing 67% ARE/ARE+ with 18% being ARE+. This include 4 children with one speaking no English at all and three with only social English. Children who did not achieve EXS 3 were EAL, 3 had complex SEND needs and the 4 who had little English.
- KS2 Assessment – 79% of the children achieved expected standard across reading, writing and maths with 30% achieving the high score of 110 plus. (National 61% and 8%) This group is 9% PP, 11% SEND and 56% EAL.

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

Achievements and Performance (continued)

St Edmund Campion

- EYFS –80% of children achieved GLD
- Phonics – 100% of children passed the screening test.
- KS1 – Reading 83% achieved ARE/ARE+ with 37% being ARE+, Writing 83% achieved ARE/ARE+ with 25% being ARE+, Maths 84% achieved ARE/ARE+ with 32% achieving ARE+.
- KS2 – 83% of pupils achieved expected standard across reading, writing and maths combined; 87% for reading, 93% for GPS and 90% for maths - four out of sixty pupils in this cohort had Educational Health Care Plans. 52% achieved a 'high score' of 110+ in Maths, 60 % in GPS, 42% in Reading. 32% of the cohort were teacher assessed as greater depth in writing (moderated by RBWM).

St Teresa's

- St Teresa's has seen a significant improvement in results at the end of KS2 as well as the Phonics screening. We have : EYFS –76% of children achieved GLD
- Phonics – 93% of children passed the screening test, a big improvement on last year. The 3 children who didn't pass had scores ranging from 28 – 30.
- KS1 – Reading 88% were ARE/ARE+ with 14% being ARE+, Writing 72% were ARE/ARE+ with 12% being ARE+, Maths were 84% ARE/ARE+ with 26% being ARE+.
- KS2 – 93% of pupils achieved expected standard across reading, writing and maths. 56% achieved GD in Reading which was significantly above National Average

During the financial period, the schools have continued to invest in resources to improve the outcomes for pupils and support lower attaining groups of children. This is in line with the company's agreed policy. This investment is reflected in the end of Key Stage results.

St Marys School: is oversubscribed. The IT system was upgraded to provide Smart Tv's in each classroom. KS2 progress results were excellent. A change in Foundation Stage leader has already shown an impact in Early Years.

St Francis School: The school was oversubscribed last year with 211 children on roll. Attainment and progress for our children continues to be outstanding thanks to the hard work of our teaching and support staff. A specific area for PPA was created as part of a refurbishment project which has created a secure and modern front entrance to our school. The diocese sourced CIF funding to replace the school roof which had been leaking for a number of years.

St Margaret Clitherow: Outcomes for our pupils have been very good, especially greater depth at KS1 and KS2 attainment. Mathematics was especially high for attainment and progress at end of KS1 and KS2. We have adapted to the new curriculum and testing without levels well. In our RE Validation in March 2016 we were graded as good with community being graded as outstanding.

St Edmund Campion:

St Edmund Campion remains highly over-oversubscribed. In 2016-17, much of our curriculum spend was allocated to purchasing concrete resources and manipulative to support our maths mastery curriculum and reading books to ensure all children have access to high quality, age appropriate books. Outcomes for our children remain high at every statutory assessment point. Our staff is our best asset and money is prioritised to ensure staff development and retention e.g. an extension to our staffroom to ensure teachers are able to meet during PPA time and there is room for all staff to meet together for CPD. All permanent classrooms now have teaching walls which means learning space in classrooms is maximised. We offer a wide range of languages including French, Spanish, Latin and Japanese.

St Teresa's: Resource management is successfully managed within the budget and the learning environments are good.

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

Have changed the structure of KS1 and now have a Year 1 classroom, a Year 2 classroom and a mixed class of 30 Year 1 and Year 2 pupils. 2 of the classes now have full time support staff who are providing additional interventions and support within class and we are already seeing significant improvements.

Going Concern

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

FINANCIAL REVIEW

Frassati Catholic Academy Trust is in a strong financial position. The Trustees approved a balanced budget for the year to 31 August 2018 and expect to be able to fulfil the educational objectives within the funds available. The principal source of funding is GAG. The majority of expenditure is to employ an experienced teaching staff and teaching assistants for each school. This level of staffing in the classroom enables the best possible outcomes for the children in the schools.

The quality of Teaching & Learning is the principle factor in ensuring that outcomes for children are the highest they can be. The level and quality of staffing in the classroom, training of staff and provision of resources, provides the focus for spending and contributes to achieving the Trust's aims.

The MAT board and local governing bodies ensure that spending contributes to the aims and provides the best use of limited financial resources. The greatest barriers schools face, are rising costs and static funding. Changes to National Insurance, Pension contributions and liabilities this year have had a significant effect on the budget. Going forward, this continues to be a concern especially taking into account new legislation, e.g. further reduction to funding in schools, and The Apprenticeship Levy.

Reserves Policy

The Trustees have written a formal Reserves Policy, and have reviewed the reserves levels of the schools and consider these as appropriate. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees wish to maintain unrestricted funds at year end towards future projects.

At 31 August 2017, the total funds comprised:

Unrestricted		272,143
Restricted:	Fixed asset funds	4,732,195
	Pension reserve	(2,494,000)
	Other	1,062,195
		<hr/>
		£3,572,533
		<hr/> <hr/>

The deficit on the pension reserve related to the Local Government Pension Scheme for non-teaching staff assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Investment Policy

All cash is invested with Lloyds Bank.

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

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by high standards, policies and procedures along with robust safeguarding policies and procedures within the school.
- Performance risk – mitigated by high quality recruitment, CPD, practice coupled with robust monitoring.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by careful budgeting and prudent financial planning.
- Pensions - all staff who are in the pension schemes are either in the Local Government Pension Scheme or in the Teachers' Pension Scheme.
- Risks associated with personnel – mitigated by appropriate policies and monitoring.

The Academy Trust practices through its Board, the Local Governing Bodies and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The trust and Local Governing Bodies accept managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board and Local Governing Bodies collectively, whilst more minor risks are dealt with by senior officers.

PLANS FOR FUTURE PERIODS

The Local Governing Bodies have approved a School Development Plans which are reviewed annually.

All five schools and the pre-schools are part of a Diocesan MAT, Frassati Catholic Academy Trust. The current schools have been working on a three-year business plan in order to bring the advantages of collaborative working, economies of scale and a shared vision and so enhance the learning experience for all concerned.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Frassati Catholic Academy Trust nor its Trustees acted as custodian trustees on behalf of others during the year ended 31 August 2017.

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2017 and signed on the board's behalf by:

.....
Hans Daems
Chair of Trustees

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Local Governing Body and their finance committee who charge the Headteachers and School Business Managers 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 Frassati Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Hans Daems	4	4
Janice Laycock	4	4
Richard Evans	2	4
Martin McNamee	2	4
David Masters	4	4
Stephen Clay	2	4
Richard Evans	2	4
Stephen Poulston	3	3
Maria Illingworth	1	4
Fr John Lee	0	4
Fr Danny McAvoy	0	4
Caroline Johnson	2	3
Jane Gow	2	2

Janice Laycock and Jane Gow have stepped down from the board due to leaving their posts in their respective schools. There will be a review of governance in the 2017-18 academic year, to look more specifically at skill set rather than representation from the schools in the MAT. There will also be a review of effectiveness of the board and reporting arrangements from the CEO to the board.

Governance reviews:

The majority of Trustees are Foundation Trustees appointed by the Bishop. The Board is comprised of Trustees with a wide range of skills and competencies each contributing to the effectiveness of the Board. Each school has a finance committee and a member of the committee from some schools comprises the Audit Committee. The finance committees manage the schools' budget to enable the optimum learning environment for the pupils at the school reporting to the Board of Trustees. The audit committee oversee the reporting to the Board.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The finance committees of each school met at least 3 times during the year.

St Francis Finance Committee (Finance, Personnel, Building & Planning)

The Committee meetings covered general business and no particular issues to declare.

	Meetings attended	Out of a possible
Angela Wilding (Chair)	3	3
Clare Lewis	3	3
Jane Gow,	2	3
Stephen Poulston	3	3
Michelle Guest Gornall	1	2

St Margaret Clitherow Finance, (Leadership and Management Committee)

The Committee meetings covered general business and no particular issues to declare.

	Meetings attended	Out of a possible
Stephen Clay (Foundation)	4	6
David Masters (Head)	6	6
David Parkinson (Foundation)	5	6
Andy Ferrari Chair (Parent)	6	6
David Doyle (Foundation)	6	6

St Mary's (Finance and Resources Committee)

The Committee meetings covered general business and no particular issues to declare.

	Meetings attended	Out of a possible
Alex Irvine Fynn (Chair)	3	3
Hans Daems	3	3
Janice Laycock	3	3
Neelam Chawla (ex officio)	2	3

St Edmund Campion (Finance and Resources Committee) between 01.07.17 - 31.08.17 only

The Committee meeting covered general business and pay range for newly appointed Deputy Head, relevant staff Governors left the room during this discussion.

	Meetings attended	Out of a possible
Nick Griffiths (Chair)	0	1
Sandra Barry	0	1
Julia Evans	1	1
Dean Bickford	1	1
Patricia Opalko	1	1
Jennifer Camp-Overy	1	1
Alma Powell	1	1
Kate Foreman (ex officio)	1	1

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Governance reviews (continued):

St Teresa's (Finance & Premises Committee)

The Committee meetings covered general business and no particular issues to declare.

	Meetings attended	Out of a possible
John Burns (Chair)	5	6
Nikki Peters (Head)	5	6
Anne-Marie Eden	3	3
Sarah Huxford	6	6
Anne-Louise Doe	5	6
Fr David O'Sullivan (resigned Aug '17)	1	6

Audit Committee

	Meetings attended	Out of a possible
Alex Irvine-Fynn	1	3
Michelle Guest-Gornall	1	3
David Doyle	1	3
Angela Wilding	1	3

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to: ensure the Academy adhere to the requirements of the Academies Financial Handbook 2016 and the Finance Policy. The audit committee is recently formed and have put in place an audit timetable and plan to audit each school once a year.

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Increased spending on staffing resulting in improved outcomes for children especially for disadvantaged children and other groups.
- Refurbishment and improvement of site facilities
- Recruitment of specialist teacher for EAL pupils
- Involvement in School Improvement Partnership

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the trustees have appointed MHA MacIntyre Hudson to advise on the accounting system.

The Business Managers and Headteachers work together and support the finance teams across the MAT. ensuring rigorous testing of the Finance Policy including:

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

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

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

REVIEW OF EFFECTIVENESS

As accounting officer, the Headteacher of St Margaret Clitherow has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 external auditors 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 4 December 2017 and signed on its behalf by:

.....
Hans Daems
Chair of Trustees

.....
David Masters
Accounting Officer

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As Accounting Officer of Frassati Catholic Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

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.

.....
David Masters
Accounting Officer

4 December 2017

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

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

The Trustees (who act as Governors of Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 4 December 2017 and signed on its behalf by:

.....
Hans Daems
Chair of Trustees

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

OPINION

We have audited the financial statements of Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy 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.

In our opinion the financial statements:

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including 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.

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

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

- certain disclosures of Trustees' remunerations 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 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's 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. The description forms part of our Auditor's report.

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

19 December 2017

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) 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 Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire)'s funding agreement with the Secretary of State for Education dated 27 June 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

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

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

19 December 2017

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transferred from local authority	2	-	(389,664)	131,153	(258,511)	2,840,522
Other donations and capital grants	2	-	33,304	809,515	842,819	95,678
Charitable activities:	5					
Academy's educational operations		-	3,732,477	-	3,732,477	3,155,127
Teaching School		-	47,130	-	47,130	73,999
Other trading activities	3	199,710	52,045	-	251,755	222,265
Investments	4	650	-	-	650	691
TOTAL INCOME		200,360	3,475,292	940,668	4,616,320	6,388,282
EXPENDITURE ON:						
Raising funds		165,187	-	-	165,187	142,166
Charitable activities:						
Academy's educational operations		2,025	4,026,744	91,180	4,119,949	3,407,007
Teaching School		-	66,403	-	66,403	41,194
TOTAL EXPENDITURE	6	167,212	4,093,147	91,180	4,351,539	3,590,367
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		33,148	(617,855)	849,488	264,781	2,797,915
Transfers between Funds	17	-	(89,763)	89,763	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		33,148	(707,618)	939,251	264,781	2,797,915
Actuarial gains/(losses) on defined benefit pension schemes	23	-	352,000	-	352,000	(577,000)
NET MOVEMENT IN FUNDS		33,148	(355,618)	939,251	616,781	2,220,915
RECONCILIATION OF FUNDS:						
Total funds brought forward		238,995	(1,076,187)	3,792,944	2,955,752	3,037,534
Prior year adjustment (Note 16)		-	-	-	-	(2,302,697)
TOTAL FUNDS CARRIED FORWARD		272,143	(1,431,805)	4,732,195	3,572,533	2,955,752

The notes on pages 26 to 54 form part of these financial statements.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08561153

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		4,455,278		3,781,533
CURRENT ASSETS					
Debtors	14	750,967		164,985	
Cash at bank and in hand		1,490,449		695,210	
		<u>2,241,416</u>		<u>860,195</u>	
CREDITORS: amounts falling due within one year	15	(630,161)		(284,976)	
NET CURRENT ASSETS			<u>1,611,255</u>		<u>575,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,066,533</u>		<u>4,356,752</u>
Defined benefit pension scheme liability	23		(2,494,000)		(1,401,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,572,533</u></u>		<u><u>2,955,752</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	1,062,195		324,813	
Restricted fixed asset funds	17	4,732,195		3,792,944	
		<u>5,794,390</u>		<u>4,117,757</u>	
Restricted income funds excluding pension liability				4,117,757	
Pension reserve	17	(2,494,000)		(1,401,000)	
		<u>3,300,390</u>		<u>2,716,757</u>	
Total restricted income funds			<u>3,300,390</u>		<u>2,716,757</u>
Unrestricted income funds	17		272,143		238,995
			<u>3,572,533</u>		<u>2,955,752</u>
TOTAL FUNDS			<u><u>3,572,533</u></u>		<u><u>2,955,752</u></u>

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:

.....
Hans Daems
Chair of Trustees

.....
David Masters
Accounting Officer

The notes on pages 26 to 54 form part of these financial statements.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>619,655</u>	<u>428,355</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		650	691
Purchase of tangible fixed assets		(634,581)	(48,870)
Capital grants from DfE/ESFA		<u>809,515</u>	<u>48,532</u>
Net cash provided by investing activities		<u>175,584</u>	<u>353</u>
Change in cash and cash equivalents in the year		795,239	428,708
Cash and cash equivalents brought forward		<u>695,210</u>	<u>266,502</u>
Cash and cash equivalents carried forward	20	<u><u>1,490,449</u></u>	<u><u>695,210</u></u>

The notes on pages 26 to 54 form part of these financial statements.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) constitutes a public benefit entity as defined by FRS 102. It is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy's operations are detailed in the Trustees' Report.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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 apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 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..

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on long leasehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% per annum straight line
Furniture and equipment	-	10% per annum straight line
Computer equipment	-	33.3% per annum 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.

The Academy Trust company occupies land including buildings which are owned by The Diocesan Bishop and the Trustees of the Portsmouth Catholic Diocese. The Trustees are the providers of the Academy land and buildings on the same basis as when the Academy was a maintained school. The Academy Trust Company occupies the land and buildings under a licence. This continuing permission of these Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Academy Trust Company for the time being, but does not vest any rights over the land in the Academy Trust Company. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust Company less than two years notice to terminate the occupation of the land including buildings.

Having considered the factual matrix under which the Academy Trust is occupying the property, and the guidance in the Academies Accounts Direction for the year ended 31 August 2017, the Academy Trust Trustees have concluded that the property transferred on conversion to the Academy Trust should not be recognised on the balance sheet of the Academy Trust. However, the Academy Trust Trustees consider that property improvements since conversion should be recognised at fair value on the balance sheet of the Academy Trust.

The value of the donation for use of premises for its operations in the period has not been recognised as it cannot be reliably measured.

1.7 Operating leases

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 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.

1.11 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

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

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

1.14 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 £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Edmund Campion Catholic Primary School and St Teresa's Catholic Academy 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 - transfer from local authority 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated total funds 2016 £
Transferred from local authority	-	(389,664)	131,153	(258,511)	2,840,522
Donations	-	33,304	57,002	90,306	47,146
DfE/ESFA capital grants	-	-	657,413	657,413	48,532
Local authority capital grants	-	-	95,100	95,100	-
Subtotal	-	33,304	809,515	842,819	95,678
	-	(356,360)	940,668	584,308	2,936,200
<i>Total 2016</i>	46,427	(88,882)	2,978,655	2,936,200	

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	total funds 2016 £
Rental income	18,747	-	18,747	11,441
Supply teacher insurance income	-	3,750	3,750	-
Other income	180,963	48,295	229,258	210,824
	199,710	52,045	251,755	222,265
<i>Total 2016</i>	222,265	-	222,265	

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4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	650	-	650	691
<i>Total 2016</i>	691	-	691	

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,178,352	3,178,352	2,774,071
Pupil premium	-	73,106	73,106	76,738
Other DfE/ESFA revenue grants	-	197,159	197,159	127,752
Teaching School Income	-	47,130	47,130	73,799
	-	3,495,747	3,495,747	3,052,360
Other government grants				
Other local authority revenue income	-	172,893	172,893	132,726
	-	172,893	172,893	132,726
Other funding				
Trip and other income	-	110,967	110,967	44,038
	-	110,967	110,967	44,038
	-	3,779,607	3,779,607	3,229,124
<i>Total 2016</i>	-	3,229,126	3,229,126	

Pre school income has been incorporated into the Academy's educational operations as it is now accounted for within the individual schools. Comparative information has been updated on the same basis.

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6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	As restated total 2016 £
Expenditure on fundraising trading	89,927	-	75,260	165,187	142,166
Academy's educational operations:					
Direct costs	2,483,822	1,518	355,071	2,840,411	2,476,543
Support costs	731,615	187,842	360,081	1,279,538	930,464
Teaching School	46,803	-	19,600	66,403	41,194
	3,352,167	189,360	810,012	4,351,539	3,590,367
<i>Total 2016</i>	2,703,237	181,170	705,960	3,590,367	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. CHARITABLE ACTIVITIES

	Total funds 2017 £	total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	2,483,822	2,199,816
Depreciation	91,180	61,939
Pension finance costs	21,399	15,615
Technology costs	4,519	8,340
Educational supplies	66,623	64,931
Staff expenses and other costs	37,903	62,684
Educational consultancy	68,410	8,720
School trips expenditure	55,187	49,323
Other direct costs	11,368	5,175
	<u>2,840,411</u>	<u>2,476,543</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	731,615	383,287
Pension finance costs	12,601	9,385
Technology costs	48,087	53,425
Maintenance of premises and equipment	86,376	67,773
Cleaning	37,117	36,760
Rent and rates	21,995	21,401
Energy	33,774	30,204
Non staff related insurance	25,087	23,424
Security and transport	2,717	3,058
Catering	148,813	140,687
Bank charges	2,678	902
Legal and professional fees	35,691	72,593
Other support costs	48,617	56,828
Governance costs	44,370	30,737
	<u>1,279,538</u>	<u>930,464</u>
	<u>4,119,949</u>	<u>3,407,007</u>
TEACHING SCHOOL		
Direct costs	66,403	41,194
	<u>4,186,352</u>	<u>3,448,201</u>

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8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	As restated
	£	2016
		£
Depreciation of tangible fixed assets:		
- owned by the charity	91,180	61,939
Auditors' remuneration - audit	18,000	15,000
Auditors' remuneration - other services	19,375	11,554
Operating lease rentals	69,364	2,425
	<u><u> </u></u>	<u><u> </u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	2,531,367	2,142,713
Social security costs	196,608	138,032
Operating costs of defined benefit pension schemes	575,544	406,015
	<hr/>	<hr/>
Supply teacher costs	3,303,519	2,686,760
	48,648	16,477
	<hr/>	<hr/>
	3,352,167	2,703,237
	<hr/> <hr/>	<hr/> <hr/>

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

	2017	2016
	No.	No.
Teachers	73	26
Administration and support	185	77
Management	11	16
	<hr/>	<hr/>
	269	119
	<hr/> <hr/>	<hr/> <hr/>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	1

The above member of staff participated in the Teacher's Pension Scheme. During the year ended 31 August 2017, pension contributions for this member of staff amounted to £20,134 (2016: £10,479).

The key management personnel of the Academy Trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £799,699 (2015: £271,714).

10. CENTRAL SERVICES

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

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
J Laycock (Headteacher)	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
David Masters (Headteacher)	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
C Johnson (Headteacher from 1 December 2016)	Remuneration	30,000-35,000	
	Pension contributions paid	5,000-10,000	

Trustee remuneration for Trustees who resigned prior to 1 September 2016 has not been disclosed.

During the year ended 31 August 2017, one Trustee received reimbursement of expenses of £235 relating to travel (2016 - £273 to 1 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was not separately identifiable from the total premium (2016 - £487).

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

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016 (as previously stated)	11,401,050	245,075	120,059	11,766,184
Prior year adjustment	(7,882,869)	-	-	(7,882,869)
At 1 September 2016 (as restated)	3,518,181	245,075	120,059	3,883,315
Additions	518,414	43,471	72,696	634,581
Transfer on conversion	29,820	101,333	-	131,153
Disposals	-	(717)	(245)	(962)
At 31 August 2017	4,066,415	389,162	192,510	4,648,087
Depreciation				
At 1 September 2016 (as previously stated)	228,023	44,982	56,800	329,805
Prior year adjustment	(228,023)	-	-	(228,023)
At 1 September 2016 (as restated)	-	44,982	56,800	101,782
Charge for the year	1,519	39,568	50,093	91,180
On disposals	-	(72)	(81)	(153)
At 31 August 2017	1,519	84,478	106,812	192,809
Net book value				
At 31 August 2017	4,064,896	304,684	85,698	4,455,278
At 31 August 2016 (as restated)	3,518,181	200,093	63,259	3,781,533

During the year long-term leasehold property valued at £29,820 being the playing field at St Edmund Campion Catholic Primary School was transferred from Royal Borough of Windsor and Maidenhead to the Academy Trust.

Included in long-term leasehold property of value £4,066,415 (2016: £3,518,181) is £3,523,951 (2016: £3,494,131) for land which is not depreciated.

For prior year adjustment detail see note 16.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2017	2016
	£	£
Trade debtors	14,485	39,242
Other debtors	224,263	2,643
Prepayments and accrued income	366,262	73,309
VAT recoverable	145,957	49,791
	<hr/> 750,967 <hr/>	<hr/> 164,985 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	796	-
Trade creditors	224,382	132,858
Other taxation and social security	78,140	41,466
Other creditors	75,605	1,862
Accruals and deferred income	251,238	108,790
	<u>630,161</u>	<u>284,976</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	84,799	58,160
Resources deferred during the year	213,136	84,799
Amounts released from previous years	(84,799)	(58,160)
Deferred income at 31 August 2017	<u>213,136</u>	<u>84,799</u>

Deferred income relates to amounts received in advance in respect of rates reimbursement, universal infant free school meals grant, PSA income, pre school grants and school trip income.

16. PRIOR YEAR ADJUSTMENT

Land and buildings transferred on conversion to Academy Trust were recognised on the balance sheet of the Academy Trust at a valuation of £7,882,869 with corresponding income on conversion in restricted fixed asset funds. The buildings transferred on conversion were depreciated by £123,720 up to 31 August 2015 and by £104,303 in the year ended 31 August 2016.

The Academy Trust only occupies the property under a license from the The Diocesan Bishop and the Trustees of the Portsmouth Catholic Diocese which delegates aspects of the management of the property to the Academy Trust for the time being but does not vest any rights over the property to the Academy Trust. Following guidance in the Academies Accounts Direction 2016 to 2017, the Academy Trust Trustees consider that the property transferred on conversion should no longer be recognised on the balance sheet of the Academy Trust.

This constitutes a change of accounting policy and a prior year adjustment has been made to reduce the net book value of land and buildings and restricted fixed asset funds by £2,302,697 and £7,654,846 at 31 August 2015 and 31 August 2016 respectively. The comparatives for the year ended 31 August 2016 have also been restated by reducing depreciation by £122,840.

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17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General unrestricted funds	238,995	200,360	(167,212)	-	-	272,143
Restricted funds						
General Annual Grant (GAG)	-	3,178,352	(3,130,151)	(48,201)	-	-
Pupil premium	-	73,106	(73,106)	-	-	-
Other DfE/ESFA grants	-	147,158	(147,158)	-	-	-
Other local authority revenue income	-	172,893	(172,893)	-	-	-
Other restricted funds	-	195,867	(193,668)	(2,199)	-	-
Pre school	(2,199)	-	-	2,199	-	-
Transfer from LA on conversion	203,296	822,336	-	(60,286)	-	965,346
MAT grant	91,120	50,000	(76,768)	-	-	64,352
Teaching School	32,596	47,580	(66,403)	18,724	-	32,497
Pension reserve	(1,401,000)	(1,212,000)	(233,000)	-	352,000	(2,494,000)
	<u>(1,076,187)</u>	<u>3,475,292</u>	<u>(4,093,147)</u>	<u>(89,763)</u>	<u>352,000</u>	<u>(1,431,805)</u>
Restricted fixed asset funds						
Fixed asset fund	3,781,533	-	(91,180)	735,105	-	4,425,458
Transfer from LA on conversion	-	131,153	-	(101,333)	-	29,820
Devolved formula capital	11,411	20,079	-	(13,782)	-	17,708
Capital improvement fund	-	637,334	-	(378,125)	-	259,209
Local authority capital grant	-	95,100	-	(95,100)	-	-
Donated assets	-	43,428	-	(43,428)	-	-
Donations	-	13,574	-	(13,574)	-	-
	<u>3,792,944</u>	<u>940,668</u>	<u>(91,180)</u>	<u>89,763</u>	<u>-</u>	<u>4,732,195</u>
Total restricted funds	<u>2,716,757</u>	<u>4,415,960</u>	<u>(4,184,327)</u>	<u>-</u>	<u>352,000</u>	<u>3,300,390</u>
Total of funds	<u><u>2,955,752</u></u>	<u><u>4,616,320</u></u>	<u><u>(4,351,539)</u></u>	<u><u>-</u></u>	<u><u>352,000</u></u>	<u><u>3,572,533</u></u>

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR (as restated)

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General unrestricted funds	39,693	252,509	(53,207)	-	-	238,995
Pre school	-	26,514	(857)	(25,657)	-	-
	<u>39,693</u>	<u>279,023</u>	<u>(54,064)</u>	<u>(25,657)</u>	<u>-</u>	<u>238,995</u>
Restricted funds						
General Annual Grant (GAG)	42,866	2,780,228	(2,921,758)	98,664	-	-
Pupil premium	-	76,738	(76,738)	-	-	-
Other DfE/ESFA grants	-	47,806	(47,806)	-	-	-
LA SEN grant	-	44,825	(44,825)	-	-	-
Other LA grants	-	64,160	(64,160)	-	-	-
Other restricted funds	-	44,757	(44,757)	-	-	-
Pre school	369	87,901	(116,126)	25,657	-	(2,199)
Transfer from LA on conversion	143,430	261,399	-	(201,533)	-	203,296
MAT grant	-	-	-	91,120	-	91,120
Teaching School	-	73,790	(41,194)	-	-	32,596
Pension reserve	(356,000)	(351,000)	(117,000)	-	(577,000)	(1,401,000)
	<u>(169,335)</u>	<u>3,130,604</u>	<u>(3,474,364)</u>	<u>13,908</u>	<u>(577,000)</u>	<u>(1,076,187)</u>
Restricted fixed asset funds						
Fixed asset fund	864,479	-	(61,939)	2,978,993	-	3,781,533
Transfer from LA on conversion	-	2,930,123	-	(2,930,123)	-	-
Capital improvement fund	-	48,532	-	(37,121)	-	11,411
	<u>864,479</u>	<u>2,978,655</u>	<u>(61,939)</u>	<u>11,749</u>	<u>-</u>	<u>3,792,944</u>
Total restricted funds	<u>695,144</u>	<u>6,109,259</u>	<u>(3,536,303)</u>	<u>25,657</u>	<u>(577,000)</u>	<u>2,716,757</u>
Total of funds	<u><u>734,837</u></u>	<u><u>6,388,282</u></u>	<u><u>(3,590,367)</u></u>	<u><u>-</u></u>	<u><u>(577,000)</u></u>	<u><u>2,955,752</u></u>

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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 Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

All general funds are held for the purposes of education in line with the Academy's objectives.

The pension reserve fund 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 transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period and funded from GAG.

The restricted fixed asset fund represents the net book value of capitalised fixed assets.

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 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St Edmund Campion Catholic Primary School	504,342	-
St Francis Catholic Primary School	176,042	155,398
St Margaret Clitherow Catholic Primary School	101,044	76,229
St Mary's Catholic Primary School	201,444	241,061
St Teresa's Catholic Academy	287,108	-
Central Services	64,358	91,120
Total before fixed asset fund and pension reserve	1,334,338	563,808
Restricted fixed asset fund	4,732,195	11,447,790
Pension reserve	(2,494,000)	(1,401,000)
Total	3,572,533	10,610,598

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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each Academy during the year, including FRS 102 Local Government Pension Scheme adjustments which have been apportioned per Academy based on employer pension contributions, was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
St Edmund Campion Catholic Primary School	180,467	80,959	3,551	29,294	294,271	-
St Francis Catholic Primary School	639,163	166,344	125,455	147,868	1,078,830	-
St Margaret Clitherow Catholic Primary School	626,598	183,954	50,491	156,540	1,017,583	1,014,561
St Mary's Catholic Primary School	919,698	329,816	79,052	215,722	1,544,288	8,880
St Teresa's Catholic Academy	135,141	60,625	6,615	46,238	248,619	-
Central Services	29,558	-	19,845	27,365	76,768	-
	<u>2,530,625</u>	<u>821,698</u>	<u>285,009</u>	<u>623,027</u>	<u>4,260,359</u>	<u>1,023,441</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total 2017 £
Tangible fixed assets	-	-	4,455,278	4,455,278
Current assets	272,143	1,692,356	276,917	2,241,416
Creditors due within one year	-	(630,161)	-	(630,161)
Pension liability	-	(2,494,000)	-	(2,494,000)
	<u>272,143</u>	<u>(1,431,805)</u>	<u>4,732,195</u>	<u>3,572,533</u>

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR (as restated)

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	3,781,533	3,781,533
Current assets	238,995	609,789	11,411	860,195
Creditors due within one year	-	(284,976)	-	(284,976)
Pension liability	-	(1,401,000)	-	(1,401,000)
	<u>238,995</u>	<u>(1,076,187)</u>	<u>3,792,944</u>	<u>2,955,752</u>

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

	2017 £	As restated 2016 £
Net income for the year (as per Statement of Financial Activities)	264,781	2,797,915
Adjustment for:		
Depreciation charges	91,180	61,939
Dividends, interest and rents from investments	(650)	(691)
Increase in debtors	(585,982)	(93,287)
Increase in creditors	345,994	173,134
Capital grants from DfE and other capital income	(809,515)	(48,532)
Pension adjustments	233,000	117,000
Fixed assets transferred on conversion	(131,153)	(2,930,123)
Pension transferred on conversion	1,212,000	351,000
Net cash provided by operating activities	<u>619,655</u>	<u>428,355</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,490,449	695,210
Total	<u>1,490,449</u>	<u>695,210</u>

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)**(A Company Limited by Guarantee)**

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

21. CONVERSION TO AN ACADEMY TRUST

On 01 July 2017 St Edmund Campion Catholic Primary School and St Teresa Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Frassati Catholic Academy Trust (formerly The Catholic Academy Trust In East Berkshire) from Royal Borough of Windsor and Maidenhead and Wokingham Borough Council 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 from local authority 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 £
Tangible fixed assets				
Other tangible fixed assets - St Edmund	-	-	102,436	102,436
Other tangible fixed assets - St Teresa	-	-	28,717	28,717
Budget surplus/(deficit) on LA funds - St Edmund	-	521,312	-	521,312
Budget surplus/(deficit) on LA funds - St Teresa	-	301,024	-	301,024
LGPS pension surplus/(deficit) - St Edmund	-	(683,207)	-	(683,207)
LGPS pension surplus/(deficit) - St Teresa	-	(528,793)	-	(528,793)
Net assets/(liabilities)	-	(389,664)	131,153	(258,511)

The above net liabilities on restricted funds include £617,150 that were transferred as cash.

22. CAPITAL COMMITMENTS

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	177,901	-

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 Royal Borough of Windsor and Maidenhead. Both are Multi-Employer Defined Benefit Pension Schemes.

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

23. PENSION COMMITMENTS (continued)

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, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

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

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £237,283 (2016 - £206,380).

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

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £151,000 (2016 - £138,000), of which employer's contributions totalled £113,000 (2016 - £103,000) and employees' contributions totalled £38,000 (2016 - £35,000). The agreed contribution rates for future years are 17.6%, rising to 18.6% from 1 April 2018 for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
RPI increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23.0	22.9
Females	25.1	26.2
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	28.5

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis - present value of total obligation		
Discount rate +0.1%	3,829,000	2,072,000
Discount rate -0.1%	4,018,000	2,180,000
Mortality assumption - 1 year increase	4,048,000	2,179,000
Mortality assumption - 1 year decrease	3,800,000	2,072,000
CPI rate +0.1%	4,001,000	2,170,000
CPI rate -0.1%	3,845,000	2,082,000

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

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	711,000	352,000
Gilts	-	11,000
Debt instruments	224,000	99,000
Property	196,000	94,000
Cash and other liquid assets	165,000	30,000
Alternative assets and other funds	132,000	138,000
	<u>1,428,000</u>	<u>724,000</u>

The actual return on scheme assets was £72,000 (2016 - £73,000).

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

	2017 £	2016 £
Current service cost	(311,000)	(195,000)
Interest cost	(34,000)	(25,000)
Administration expenses	(1,000)	-
	<u>(346,000)</u>	<u>(220,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,125,000	594,000
Upon conversion	-	626,000
Current service cost	311,000	195,000
Interest cost	53,000	49,000
Employee contributions	38,000	35,000
Actuarial (gains)/losses	(382,000)	626,000
Liabilities assumed on settlements	1,814,000	-
Benefits paid	(37,000)	-
	<u>3,922,000</u>	<u>2,125,000</u>

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

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

	2017 £	2016 £
Opening fair value of scheme assets	724,000	238,000
Upon conversion	-	275,000
Return on plan assets (excluding net interest on the net defined pension liability)	19,000	24,000
Actuarial gains/(losses)	(30,000)	49,000
Employer contributions	113,000	103,000
Employee contributions	38,000	35,000
Benefits paid	(37,000)	-
Settlement prices received	602,000	-
Administration expenses	(1,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	1,428,000	724,000
	<hr/> <hr/>	<hr/> <hr/>

The amount shown in the Statement of Financial Activities is:

	2017 £	2016 £
Changes in financial assumptions	382,000	(626,000)
Return on plan assets	(30,000)	49,000
	<hr/>	<hr/>
Actuarial gains/(losses) on defined benefit pension schemes	352,000	(577,000)
	<hr/> <hr/>	<hr/> <hr/>

The amount in the Balance Sheet is as follows:

	2017 £	2016 £
Present value of defined benefit obligation	(3,922,000)	(2,125,000)
Fair value of scheme assets	1,428,000	724,000
	<hr/>	<hr/>
Defined benefit pension scheme liability	(2,494,000)	(1,401,000)
	<hr/> <hr/>	<hr/> <hr/>

FRASSATI CATHOLIC ACADEMY TRUST (FORMERLY THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE)

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24. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	28,407	2,116
Between 1 and 5 years	97,421	3,174
Total	<u>125,828</u>	<u>5,290</u>

25. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

26. 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.