

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

(A Company Limited by Guarantee)

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THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2016

Members

John Frederick Nelson
Howard Joseph McBrien
Hans Daems

Trustees

Hans Daems	(Chairman)
Janice Laycock	(Accounting officer)
Stephen Clay	(Elected 11 December 2015)
Richard Evans	(Elected 11 December 2015)
Jane Gow	(Elected 11 December 2015)
Maria Illingworth	(Elected 11 December 2015)
Father John Lee	(Elected 11 December 2015)
David Masters	(Elected 11 December 2015)
Father Danny McAvoy	(Elected 11 December 2015)
Martin McNamee	
Stephen Poulston	(Elected 11 December 2015)
Helena Wood	(Resigned 11 December 2015)
Scott McDonnell	(Resigned 11 December 2015)

Local Governing Body – St Francis

Stephen Poulston	(Chair Foundation)
Sarah Chidede	(Vice Chair- Foundation)
Clare Lewis	(Co-opted)
Richard Evans	(Co-opted)
John Ware	(Foundation)
Daire Leonard	(Foundation)
Karen Inglis	(Foundation)
Michelle Guest-Gornall	(Parent)
Zulema Maria Aragones-Monjas	(Parent)
Caroline Johnson	(Staff)
Jane Gow	(Head)
Angela Wilding	(Associate)
Father Tom Taffe	(Foundation)
Kevan Jeffery	(Foundation resigned Feb 2016)
Cath Shooter	(Foundation)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued) FOR THE YEAR ENDED 31 AUGUST 2016

Local Governing Body – St Margaret Clitherow

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

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	(Appointed March 2016)
Janice Laycock	
Helena Wood	
John Peters	(Resigned July 2016)
Scott McDonnell	(Resigned June 2016)
Rosemary Brown	

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

Janice Laycock	(Chairman)
Michelle Truman	
Tim Manning	
Tori Rozputynski	
Vicky Hern	(Appointed November 2015)
Scott McDonnell	(Resigned June 2016)
Rosemary Brown	

Senior Management Team - St Francis

SLT 1 Jane Gow	(Head)
SLT 2 Caroline Johnson	(Deputy Head)
SLT 2 Lindsey Waller	
SLT 3 Tanya Swan	
SLT 5 Julia Gurney	
SLT 6 Sarah Farrell	(Bursar)

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Senior Management Team - St Margaret Clitherow

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

Senior Management Team - St Mary's

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

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

Michelle Truman	(Manager)
Estelle Jack	(Deputy)

Company Name

The Catholic Academy Trust in East Berkshire

Principal and registered office

St Mary's Catholic Primary School, Cookham Road, Maidenhead, Berkshire, SL6 7EG

Company registered number

08561153 (England & Wales)

Independent Auditors

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

Bankers

The Catholic Academy Trust in East Berkshire Lloyds Bank Plc branches:

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.

Solicitors

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

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company from 1 September 2015 to 31 August 2016. 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 4 to 11 serving a catchment area in East Berkshire. It has a pupil capacity of 735 (St Francis 210, St Margaret Clitherow 210, St Mary's 315) and had a roll of 723 (St Francis 214, St Margaret Clitherow 206, St Mary's 303) in the school census in January 2016. The trust also operates a 56 place pre-school for children aged 2¹/₂ to 4 years. This increases the total capacity to 791.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Catholic Academy Trust in East Berkshire 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 Catholic Academy Trust in East Berkshire.

The Trustees of The Catholic Academy Trust in East Berkshire are also the directors of the charitable company for the purposes of company law. The charitable company is known The Catholic Academy Trust in East Berkshire.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on pages 1-3.

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 £487 (2015: £667).

Method of Recruitment and Appointment or Election of Trustees

The Catholic Academy Trust in East Berkshire is a Multi 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

The Catholic Academy Trust in East Berkshire is a Multi Academy Trust which comprises three schools and one pre-school. The Board of Trustees has delegated the day to day management of the schools and pre-school to the four Local Governing Bodies in accordance with the Scheme of Delegation. The budgets of the schools and pre-school are approved by the Board of Trustees. The Head teacher of St Francis 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-school. The Finance and Pay Policies are academy documents.

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

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 2016. Leadership and Main Scale teachers pay is set through Performance Management Procedures. The Head teacher'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.

The Catholic Academy Trust in East Berkshire is a Multi Academy Trust with three schools and one pre-school. 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 and Bracknell Forest areas. During the year ended 31st August 2016 there are no formal agreements between these schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of The 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.

The Catholic Academy Trust in East Berkshire aims to provide an outstanding Catholic education to the children in the area.

Objectives, Strategies and Activities

The Catholic Academy Trust in East Berkshire's main strategy is currently encompassed in the mission statements of all the schools by:

- Being effective in our teaching so as to develop a child's intellect, experience and imagination – through ongoing inset and CPD, lesson observation and performance management to further improve the standard of teaching.
- 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, thus developing and using all the talents of the children.
- Providing a stimulating and well-resourced environment in which children's achievement are celebrated and shared – the planned purchase of resources and development of the 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 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 - 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

Public Benefit

The principal object and activity of The 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.

The Catholic Academy Trust in East Berkshire 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 2016 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.

2016 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 3 years from 2014 = 62% to 81% in 2016. 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 97% in 2016. This is well 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=87% Maths 84%) % pupils reaching greater depth for R/W/M was significantly above the National
- Key Stage 2 Test results showed that 71% pupils attained the expected standard in R/W/M combined; well above the National standard of 53%. Progress was in line with National expectations for all subjects.

St Margaret Clitherow:

- EYFS: dipped last year to sig below national for GLD due to staffing issues – 60%. Has been resolved.
- Phonics: 87% - above national
- KS1: Reading and Writing in line with national for EXS. Maths EXS below. Greater Depth for RWM Sig above.
- KS2: 78% RWM - sig above. +3.4 progress RWM - sig above

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

St Mary's

- EYFS % pupils achieving Good Levels of Development is again well above the National Standard at 83% in 2016. In addition, results in reading and maths were especially good all above 90%.
- Year 1 Phonics results also show an improving trend due to re-organisation of the phonics teaching and have increased from 64% in 2014\15 to 78% despite increased numbers of English as an Additional Language students.
- Key Stage 1 Assessments for Reading, Writing and Maths were above the National (R=76%, W=76% Maths 74%) % pupils reaching greater depth for R/W/M was significantly above the National for all three subjects
- Key Stage 2 Test results showed that 59% pupils attained the expected standard in R/W/M combined; above the National standard of 53%. Progress was slightly below National expectations for Reading in the main due to the test structure but above for maths and writing resulting in average progress in RWM of -0.9%.

Key Financial Performance Indicators

The Academy met all its financial targets whilst being fully staffed and within budget. Resource management is successfully managed within the budget and the learning environments are good.

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.

In February 2016 St Mary's received a judgement of good in all areas with elements of outstanding by Ofsted. In particular it was noted that results at the end of Key Stage 2 were outstanding.

St Francis School was over-subscribed with 214 pupils last year. Last year the school replaced all the IWB in the classrooms to enhance the learning environment and improve provision. Additional IT resources were purchased to support pupils learning at home.

St Margaret Clitherow: Outcomes for our pupils have been very good, especially greater depth at KS1 and KS2 attainment and progress. 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.

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

The Catholic Academy Trust in East Berkshire is in a strong financial position. The Trustees approved a balanced budget for the year to 31 August 2017 and expect to be able to fulfil the educational objectives within the funds available. The principal source of funding is GAG. The majority of the 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

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 do not currently have a formal Reserves Policy, however, they 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 2016 the total funds comprised:

Unrestricted		£
		238,995
Restricted:	Fixed asset funds	11,447,790
	Pension reserve	(1,401,000)
	Other	324,813
		<u>10,610,598</u>

Investment Policy

All cash is invested with Lloyds Bank.

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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

The Local Governing Bodies have approved a School Development Plans which are reviewed annually. All three schools and the pre-school are to become part of a large Diocesan MAT, The Piergorgio Frassati MAT, later this year. 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. Some work has already been begun but further development awaits the formation of the new MAT. Future strategies will be guided by the members from the Diocese of Portsmouth, the new Board and through The Scheme of Delegation, by the local governing bodies. The experience of the current MAT will inform the new management of the Trust. Resources will continue to be allocated to provide the best possible outcomes educationally for children.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Catholic Academy Trust in East Berkshire nor its Trustees acted as custodian trustees on behalf of others during the year ended 31 August 2016.

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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 1 December 2016 and signed on the Board's behalf by:

.....
Hans Daems
Chair of Trustees

1 December 2016

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that The Catholic Academy Trust in East Berkshire 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 Bodies and their Finance committees 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 The Catholic Academy Trust in East Berkshire 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	(Chairman)	3	5
Jane Gow	(CEO)	4	4
Janice Laycock	(Accounting officer)	5	5
David Masters		4	4
Stephen Poulson		3	4
Stephen Clay		3	4
Martin McNamee		3	5
Richard Evans		1	4
Maria Illingworth		1	4
Fr John Lee		1	4
Fr Danny McAvoy		1	4
Helena Wood	(Resigned December 2015)	1	1
Scott McDonnell	(Resigned December 2015)	1	1

Following the two schools joining the MAT the composition of the Board needed to be changed in December. Two of the original Trustees stepped down and three Trustees joined from each of the two schools as well as both Parish Priests. The new Board, appointed by the Bishop, consisted of 11 members.

Governance reviews:

The review of the Board of Trustees was undertaken and each of the schools in the MAT are fairly and equally represented following the inclusion of two additional schools in September 2015. 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.

During the coming year more schools will join the MAT and an appropriate Board will be appointed by the Bishop at such time as is deemed necessary.

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

Each school has a finance committee and a member of the committee from each school 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.

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,	3	3
Daire Leonard	1	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)	3	5
David Masters (Head)	5	5
David Parkinson (Foundation)	5	5
Andy Ferrari Chair (Parent)	5	5
David Doyle (Foundation)	4	5

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
Helena Wood(Chair)	3	3
Alex Irvine Fynn	1	3
Hans Daems	1	3
Janice Laycock	1	3
Rosemary Brown	2	2
Neelam Chawla (ex officio)	1	1

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 2015 and the Finance Policy.

The audit committee is newly formed and currently communicate by email but, as yet, have not formally met. As the MAT was very new the role of the audit committee was carried out through extra support from the MAT accountants. During this time of transition reporting to the Board and liaison with LGBs was through Board members who were also Finance Committee members.

Audit Committee

Alex Irvine-Fynn
Helena Wood (resigned June 2016)
David Doyle
Michelle Guest-Gornall

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF VALUE FOR MONEY

As accounting officer the Head teacher of St Mary's 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 – was Montage and now Frassat!

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Catholic Academy Trust in East Berkshire Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 1 September 2015 to 31 August 2016 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

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

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. There were frequent visits throughout the period.

The Academy contracted accountancy support over a three month period to support the finance teams across the MAT. During this time the rigorous testing of the Finance Policy included:

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

REVIEW OF EFFECTIVENESS

As accounting officer the Head teacher of St Mary's has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor
- the 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 1 December 2016 and signed on its behalf by:

Hans Daems

Chair of Trustees

Janice Laycock

Accounting Officer

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of The Catholic Academy Trust in East Berkshire I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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

.....
Janice Laycock
Accounting Officer

1 December 2016

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as Governors of 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 and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016;
- 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 the EFA/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 1 December 2016 and signed on its behalf by:

.....
Hans Daems
Chair of Trustees

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

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

We have audited the financial statements of The Catholic Academy Trust In East Berkshire for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

Date: 21 December 2016

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 FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Catholic Academy Trust In East Berkshire during the year 1 September 2015 to 31 August 2016 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 The Catholic Academy Trust In East Berkshire and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Catholic Academy Trust In East Berkshire and the EFA 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 The Catholic Academy Trust In East Berkshire and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE 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 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 2015 to 31 August 2016 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

21 December 2016

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 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transferred from local authority	2	-	(89,601)	8,405,992	8,316,391	-
Other donations and capital grants	2	46,427	719	48,532	95,678	19,591
Charitable activities	5	26,514	3,219,486	-	3,246,000	1,449,126
Other trading activities	3	205,391	-	-	205,391	46,559
Investments	4	691	-	-	691	354
TOTAL INCOME		279,023	3,130,604	8,454,524	11,864,151	1,515,630
EXPENDITURE ON:						
Raising funds		54,064	-	-	54,064	7,499
Charitable activities	7	-	3,474,364	185,659	3,660,023	1,538,484
TOTAL EXPENDITURE	6	54,064	3,474,364	185,659	3,714,087	1,545,983
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	224,959 (25,657)	(343,760) 13,908	8,268,865 11,749	8,150,064 -	(30,353) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	23	-	(577,000)	-	(577,000)	(4,000)
NET MOVEMENT IN FUNDS		199,302	(906,852)	8,280,614	7,573,064	(34,353)
RECONCILIATION OF FUNDS:						
Total funds brought forward		39,693	(169,335)	3,167,176	3,037,534	3,071,887
TOTAL FUNDS CARRIED FORWARD		238,995	(1,076,187)	11,447,790	10,610,598	3,037,534

The notes on pages 23 to 47 form part of these financial statements.

THE CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08561153

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		11,436,379		3,167,176
CURRENT ASSETS					
Debtors	16	164,985		71,698	
Cash at bank and in hand		695,210		266,502	
			860,195	338,200	
CREDITORS: amounts falling due within one year	17	(284,976)		(111,842)	
NET CURRENT ASSETS			575,219		226,358
TOTAL ASSETS LESS CURRENT LIABILITIES			12,011,598		3,393,534
Defined benefit pension scheme liability	23		(1,401,000)		(356,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			10,610,598		3,037,534
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	324,813		186,665	
Restricted fixed asset funds	18	11,447,790		3,167,176	
Restricted income funds excluding pension liability		11,772,603		3,353,841	
Pension reserve	18	(1,401,000)		(356,000)	
Total restricted income funds			10,371,603		2,997,841
Unrestricted income funds	18		238,995		39,693
TOTAL FUNDS			10,610,598		3,037,534

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:

.....
Hans Daems
Chair of Trustees

.....
Janice Laycock
Accounting Officer

The notes on 23 to 47 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>428,355</u>	<u>68,285</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		691	354
Purchase of tangible fixed assets		(48,870)	(58,916)
Capital grants from DfE/EFA		<u>48,532</u>	<u>7,434</u>
Net cash provided by/(used in) investing activities		<u>353</u>	<u>(51,128)</u>
Change in cash and cash equivalents in the year		428,708	17,157
Cash and cash equivalents brought forward		<u>266,502</u>	<u>249,345</u>
Cash and cash equivalents carried forward	21	<u><u>695,210</u></u>	<u><u>266,502</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Catholic Academy Trust In East Berkshire constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Catholic Academy Trust In East Berkshire prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Catholic Academy Trust In East Berkshire for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 there are no performance related conditions and there is probability of receipt 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are 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.

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.

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 CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 freehold 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

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 accounting substance under which the Academy Trust Company is occupying the land and buildings, the Academy Trust Company have concluded that the value of the land and buildings occupied by the Academy Trust Company will be recognised on the Balance Sheet of the Company.

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.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the bank.

1.9 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.

1.10 Debtors

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 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 and the assets are held separately from those of the Academy Trust.

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 CATHOLIC ACADEMY TRUST IN EAST BERKSHIRE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Pensions (continued)

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

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

1.15 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 Francis School and St Margaret Clitherow School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - 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 22.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transferred from local authority	-	(89,601)	8,405,992	8,316,391	-
Donations	46,427	719	-	47,146	12,157
Capital grants	-	-	48,532	48,532	7,434
Subtotal	<u>46,427</u>	<u>719</u>	<u>48,532</u>	<u>95,678</u>	<u>19,591</u>
Total donations and capital grants	<u><u>46,427</u></u>	<u><u>(88,882)</u></u>	<u><u>8,454,524</u></u>	<u><u>8,412,069</u></u>	<u><u>19,591</u></u>

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds. £12,157 was to restricted funds and £7,434 was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	11,441	-	11,441	6,389
Other income	193,950	-	193,950	40,170
	<u>205,391</u>	<u>-</u>	<u>205,391</u>	<u>46,559</u>

In 2015, of the total income from other trading activities, £32,190 was to unrestricted funds, £14,369 was to restricted funds and £ NIL was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	691	-	691	354
	<u>691</u>	<u>-</u>	<u>691</u>	<u>354</u>

In 2015, of the total investment income, £ 354 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

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5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Academy's educational operations	-	3,131,585	3,131,585	1,334,473
Pre school	26,514	87,901	114,415	114,653
	<u>26,514</u>	<u>3,219,486</u>	<u>3,246,000</u>	<u>1,449,126</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £1,449,126 was to restricted funds and £ NIL was to restricted fixed asset funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,780,228	2,780,228	1,158,473
Pupil premium	-	76,738	76,738	38,078
Other DfE/EFA grants	-	121,596	121,596	65,375
	<u>-</u>	<u>2,978,562</u>	<u>2,978,562</u>	<u>1,261,926</u>
Other government grants				
LA SEN grant	-	44,825	44,825	23,555
Other LA grants	-	64,160	64,160	29,820
	<u>-</u>	<u>108,985</u>	<u>108,985</u>	<u>53,375</u>
Other funding				
Trip income	-	44,038	44,038	19,172
	<u>-</u>	<u>44,038</u>	<u>44,038</u>	<u>19,172</u>
	<u>-</u>	<u>3,131,585</u>	<u>3,131,585</u>	<u>1,334,473</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £1,334,473 was to restricted funds and £ NIL was to restricted fixed asset funds.

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6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	54,064	54,064	7,499
Academy's educational operations:					
Direct costs	2,230,520	123,720	273,939	2,628,179	999,259
Support costs	383,287	181,170	351,261	915,718	424,941
Pre School:					
Direct costs	89,430	-	6,337	95,767	99,976
Support costs	-	-	20,359	20,359	14,308
	<u>2,703,237</u>	<u>304,890</u>	<u>705,960</u>	<u>3,714,087</u>	<u>1,545,983</u>

In 2016, of the total expenditure, £54,064 (2015 - £7,499) was to unrestricted funds, £3,474,364 (2015 - £1,467,842) was to restricted funds and £185,659 (2015 - £70,642) was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	2,232,681	840,643
Depreciation	185,659	69,651
Pension finance costs	15,615	4,000
Technology costs	8,340	1,085
Educational supplies	66,359	20,793
Staff development	43,700	8,952
Educational consultancy	8,720	18,751
School trips expenditure	49,323	20,854
Other direct costs	17,782	14,530
	<u>2,628,179</u>	<u>999,259</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	383,287	174,004
Pension finance costs	9,385	9,000
Technology costs	53,425	16,091
Recruitment and support	5,426	1,909
Maintenance of premises and equipment	59,101	47,228
Cleaning	34,910	28,859
Rent and rates	20,906	7,521
Energy	29,722	10,768
Non staff related insurance	21,534	9,435
Security and transport	3,058	1,604
Catering	139,440	55,721
Bank charges	902	192
Legal and professional fees	72,593	25,134
Other support costs	55,475	19,300
Governance costs	26,554	18,175
	<u>915,718</u>	<u>424,941</u>
	<u>3,543,897</u>	<u>1,424,200</u>
PRE SCHOOL		
Direct costs	95,767	99,976
Support costs	20,359	14,308
	<u>116,126</u>	<u>114,284</u>
	<u>3,660,023</u>	<u>1,538,484</u>

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8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Gifts made by the trust	1,392	-	

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	185,659	70,641
Auditors' remuneration - audit	15,000	7,200
Auditors' remuneration - other services	11,554	10,975
Operating lease rentals	2,425	2,371
	214,638	91,187

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,142,713	911,015
Social security costs	138,032	46,870
Operating costs of defined benefit pension schemes	406,015	140,899
	2,686,760	1,098,784
Supply teacher costs	16,477	5,940
	2,703,237	1,104,724

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

	2016	2015
	No.	No.
Teachers	26	12
Administration and support	77	32
Management	16	6
	119	50

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	0

The above member of staff participated in the Teacher's Pension Scheme. During the year ended 31 August 2016, pension contributions for this member of staff amounted to £10,479 (2015: £NIL).

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).

11. 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
FOR THE YEAR ENDED 31 AUGUST 2016

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher 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:

		2016	2015
		£	£
J Laycock (Headteacher)	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Jane Gow (Headteacher)	Remuneration	60,000-65,000	0-5,000
	Pension contributions paid	10,000-15,000	0-5,000
David Masters (Headteacher)	Remuneration	55,000-60,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2016, expenses relating to non-trustee activities totalling £273 (2015 - £53) were reimbursed to 1 Trustee (2015 - 1 Trustee).

13. 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 2016 was £487 (2015 - £667).

14. PENSION FINANCE COSTS

	2016	2015
	£	£
Interest on pension scheme liabilities	(25,000)	(13,000)

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NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2015	3,139,000	113,468	58,854	3,311,322
Additions	24,050	13,829	10,991	48,870
Transfer on conversion	8,238,000	117,778	50,214	8,405,992
	<u>11,401,050</u>	<u>245,075</u>	<u>120,059</u>	<u>11,766,184</u>
Depreciation				
At 1 September 2015	104,303	20,585	19,258	144,146
Charge for the year	123,720	24,397	37,542	185,659
	<u>228,023</u>	<u>44,982</u>	<u>56,800</u>	<u>329,805</u>
Net book value				
At 31 August 2016	<u>11,173,027</u>	<u>200,093</u>	<u>63,259</u>	<u>11,436,379</u>
At 31 August 2015	<u>3,034,697</u>	<u>92,883</u>	<u>39,596</u>	<u>3,167,176</u>

Included in long-term leasehold property is land at a valuation of £5,191,000 (2015 - £732,000), which is not depreciated.

During the year long-term leasehold property valued at £8,238,000 was transferred from the local authority to the Academy Trust.

16. DEBTORS

	2016 £	2015 £
Trade debtors	39,242	15,714
Other debtors	2,643	-
Prepayments and accrued income	73,309	49,436
VAT recoverable	49,791	6,548
	<u>164,985</u>	<u>71,698</u>

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

	2016	2015
	£	£
Trade creditors	132,858	14,713
Other taxation and social security	41,466	14,519
Other creditors	1,862	2,544
Accruals and deferred income	108,790	80,066
	<u>284,976</u>	<u>111,842</u>
	<u>284,976</u>	<u>111,842</u>
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	58,160	57,826
Resources deferred during the year	84,799	58,160
Amounts released from previous years	(58,160)	(57,826)
	<u>84,799</u>	<u>58,160</u>
	<u>84,799</u>	<u>58,160</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General 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	(2,889,162)	66,068	-	-
Pupil premium	-	76,738	(76,738)	-	-	-
Other DfE/EFA grants	-	121,596	(121,596)	-	-	-
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	-	(77,817)	-	327,012
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	3,167,176	-	(185,659)	8,454,862	-	11,436,379
Transfer from LA on conversion	-	8,405,992	-	(8,405,992)	-	-
DfE/EFA capital grant	-	48,532	-	(37,121)	-	11,411
	<u>3,167,176</u>	<u>8,454,524</u>	<u>(185,659)</u>	<u>11,749</u>	<u>-</u>	<u>11,447,790</u>
Total restricted funds	<u>2,997,841</u>	<u>11,585,128</u>	<u>(3,660,023)</u>	<u>25,657</u>	<u>(577,000)</u>	<u>10,371,603</u>
Total of funds	<u><u>3,037,534</u></u>	<u><u>11,864,151</u></u>	<u><u>(3,714,087)</u></u>	<u><u>-</u></u>	<u><u>(577,000)</u></u>	<u><u>10,610,598</u></u>

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 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.

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18. STATEMENT OF FUNDS (continued)

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 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
St Mary's Catholic Primary School	241,061	226,358
St Francis School	155,398	-
St Margaret Clitherow School	76,229	-
Central Services	91,120	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	563,808	226,358
Restricted fixed asset fund	11,447,790	3,167,176
Pension reserve	(1,401,000)	(356,000)
	<hr/>	<hr/>
Total	<u>10,610,598</u>	<u>3,037,534</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
St Mary's Catholic Primary School	1,006,166	177,268	103,990	236,095	1,523,519	1,545,983
St Francis School	639,345	108,343	56,515	177,265	981,468	-
St Margaret Clitherow School	674,440	97,674	56,637	185,810	1,014,561	-
Central Services	-	-	1,195	7,685	8,880	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,319,951</u>	<u>383,285</u>	<u>218,337</u>	<u>606,855</u>	<u>3,528,428</u>	<u>1,545,983</u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	11,436,379	11,436,379	3,167,176
Current assets	238,995	609,789	11,411	860,195	338,200
Creditors due within one year	-	(284,976)	-	(284,976)	(111,842)
Provisions for liabilities and charges	-	(1,401,000)	-	(1,401,000)	(356,000)
	<u>238,995</u>	<u>(1,076,187)</u>	<u>11,447,790</u>	<u>10,610,598</u>	<u>3,037,534</u>

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	8,150,064	(30,353)
Adjustment for:		
Depreciation charges	185,659	70,641
Dividends, interest and rents from investments	(691)	(354)
(Increase)/decrease in debtors	(93,287)	2,442
Increase/(decrease) in creditors	173,134	(9,657)
Capital grants from DfE and other capital income	(48,532)	(7,434)
Pension adjustments	117,000	43,000
Fixed assets transferred on conversion	(8,405,992)	-
Pension transferred on conversion	351,000	-
Net cash provided by operating activities	<u>428,355</u>	<u>68,285</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	695,210	266,502
Total	<u>695,210</u>	<u>266,502</u>

22. CONVERSION TO AN ACADEMY TRUST

On 01 September 2015 St Francis School and St Margaret Clitherow School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Catholic Academy Trust In East Berkshire from Royal Borough of Windsor and Maidenhead for £NIL consideration.

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22. CONVERSION TO AN ACADEMY TRUST (continued)

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 gain 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				
- Freehold/leasehold land and buildings	-	-	8,238,000	8,238,000
- Other tangible fixed assets	-	-	167,992	167,992
Other assets	-	261,399	-	261,399
LGPS pension surplus/(deficit)	-	(351,000)	-	(351,000)
Net assets/(liabilities)	<u>-</u>	<u>(89,601)</u>	<u>8,405,992</u>	<u>8,316,391</u>

The above net liabilities on restricted funds include £261,399 that were transferred as cash.

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.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme
Introduction

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

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

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23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £206,380 (2015 - £75,160).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £138,000 (2015 - £46,000), of which employer's contributions totalled £103,000 (2015 - £34,000) and employees' contributions totalled £35,000 (2015 - £12,000). The agreed contribution rates for future years are 16.6% 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.

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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	26.2	26.1
Retiring in 20 years		
Males	25.2	25.1
Females	28.5	28.4

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	352,000	108,000
Debt instruments	99,000	30,000
Property	94,000	32,000
Gilts	11,000	3,000
Cash	30,000	12,000
Alternative assets and other funds	138,000	53,000
Total market value of assets	724,000	238,000

The actual return on scheme assets was £73,000 (2015 - £5,000).

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(195,000)	(64,000)
Net interest cost	(25,000)	(13,000)
Total	<u>(220,000)</u>	<u>(77,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	594,000	496,000
Upon conversion	626,000	-
Current service cost	195,000	64,000
Interest cost	49,000	21,000
Contributions by employees	35,000	12,000
Actuarial losses	626,000	1,000
Closing defined benefit obligation	<u>2,125,000</u>	<u>594,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	238,000	187,000
Upon conversion	275,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	24,000	8,000
Actuarial gains and (losses)	49,000	(3,000)
Contributions by employer	103,000	34,000
Contributions by employees	35,000	12,000
Closing fair value of scheme assets	<u>724,000</u>	<u>238,000</u>

The amount in the balance sheet is as follows:

	2016 £	2015 £
Present value of defined benefit obligation	(2,125,000)	(594,000)
Fair value of scheme assets	724,000	238,000
Defined benefit pension scheme liability	<u>(1,401,000)</u>	<u>(356,000)</u>

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24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	2,116	309
Between 1 and 5 years	3,174	2,116
Total	<u>5,290</u>	<u>2,425</u>

25. RELATED PARTY TRANSACTIONS

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

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.

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27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP	3,071,887	3,037,534
Total funds reported under FRS 102	<u>3,071,887</u>	<u>3,037,534</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(26,353)
Change in recognition of LGPS interest cost		(4,000)
Net (expenditure) reported under FRS 102		<u>(30,353)</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £4,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.