

**ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST  
(FORMERLY SAINT ROBERT LAWRENCE CATHOLIC ACADEMY TRUST)  
(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2018**

***Company Limited by Guarantee  
Registration Number: 07937154  
(England & Wales)***

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS**

<b>Members</b>	Rt Rev Patrick McKinney, Bishop of Nottingham Rev Christopher Thomas (resigned 31 August 2018) Rev Martin Hardy Mr Edward Poyser (appointed 1 September 2018) Mrs Jacqueline Rodden (appointed 2 July 2018) Mr Jerzy Krawiec (appointed 1 September 2018) Mr Kenneth Daly (appointed 1 September 2018) Mrs Sarah Noon (appointed 1 September 2018)
<b>Trustees</b>	Mrs Jacqueline Rodden, Chair of Trustees (appointed 2 July 2018) Mrs Jennifer Williamson, Chair of Trustees up to 1 July 2018 Mr Peter Barnes (appointed 24 July 2018) Mr Mark Brentnall (appointed 1 September 2018) Mrs Lorraine Collins, Chair of Trustees (resigned 8 May 2018) Mr David Boott (resigned 31 August 2018) Mrs Joan McCarthy, Head Teacher Mr Anthony Harrison, Head Teacher (resigned 31 August 2018) Rev Martin Sylvester (resigned 31 August 2018) Mrs Catherine Mann, Head Teacher (resigned 31 August 2018) Mrs Cathy Gabriel, Chair of Governors at Saint John Houghton (resigned 31 August 2018) Mr Dominic Roberts, Chair of Governors at The Priory (resigned 31 August 2018) Mrs Fiona Galli, Foundation Director (resigned 31 August 2018) Dr Caroline Henry (resigned 31 August 2018) Mrs Melanie Barker, Chair of Governors at St Joseph's Mr Paul Scully (resigned 11 April 2018) Mrs Victoria Stevens (appointed 1 September 2018) Ms Elizabeth Winton (appointed 24 July 2018)
<b>Accounting Officer</b>	Mr Sean McClafferty (appointed 1 September 2018) Mrs Joan McCarthy (resigned 31 August 2018)
<b>Chief Finance Officer</b>	Mr Philip Curtis (appointed 1 September 2018) Mrs Deborah Waby (resigned 31 August 2018)
<b>Company Secretary</b>	Mr Andrew Muldoon (appointed 1 September 2018) Mrs Cecilia Emery (resigned 31 August 2018)
<b>Principal</b>	J McCarthy
<b>Principal</b>	A Harrison
<b>Principal</b>	C Mann
<b>Principal</b>	P Scully
<b>Principal Address</b>	St Ralph Sherwin Catholic Multi Academy Trust St Katherine's House Third Floor St Mary's Wharf Mansfield Road Derby DE1 3TQ

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS (cont'd)**

**Academy Addresses** Saint John Houghton Catholic Voluntary Academy  
Abbot Road  
Kirk Hallam  
Ilkeston  
Derbyshire  
DE7 4HX

The Priory Catholic Voluntary Academy  
Raglan Street  
Eastwood  
Nottingham  
NG16 3GT

English Martyrs' Catholic Voluntary Academy  
Long Eaton  
Nottingham  
NG10 4DA

St Joseph's Catholic Voluntary Academy  
Chesterfield Road  
Matlock  
Derbyshire  
DE4 3FT

**Registered Office** St Ralph Sherwin Catholic Multi Academy Trust  
St Katherine's House  
Third Floor  
St Mary's Wharf  
Mansfield Road  
Derby  
DE1 3TQ

**Company Registration Number** 07937154

**Independent Auditor** UHY Hacker Young (Birmingham) LLP  
9-11 Vittoria Street  
Birmingham  
B1 3ND

**Bankers** Lloyds Bank  
33 Park Row  
Nottingham  
NG1 6GY

**Solicitors** Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

The trustees present their annual report together with the financial statements and auditor's report of St Ralph Sherwin Catholic Multi Academy Trust (the Academy Trust) for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' reports and a directors' report under company law.

As at 31 August 2018 the Academy Trust operated three primary academies located in Eastwood, Long Eaton and Matlock and one secondary academy located in Ilkeston. It has a total capacity of 1,310 and had a total of 1,306 students on roll across the Trust as at January 2018.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

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

The charitable company's Memorandum and Articles of Association are the primary governing document of the Academy Trust.

The trustees of St Ralph Sherwin Catholic Multi Academy Trust are also the Trustees of the charitable company for the purpose of company law.

The charitable company was previously known as Saint Robert Lawrence Catholic Academy Trust and changed its name to St Ralph Sherwin Catholic Multi Academy Trust on 4 May 2018 in preparation for the expansion on 1 September 2018 of the Academy Trust as part of the Plan for Catholic Schools in the Diocese of Nottingham.

Details of the members and trustees who served during the year are included in the Reference and administrative details on page 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**

The Trustees have indemnity cover provided through the Risk Protection Arrangement made with the ESFA.

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

The Academy Trust adopted new Articles on 23 July 2018 as prescribed by DfE in preparation for the expansion of the Trust. The new articles are based on the DfE model articles. The Board of Trustees as it was constituted at the time of the adoption of the new articles continued to oversee the day to day running of the Academy Trust up to 31 August 2018. New Directors were appointed according to the new articles from 2 July 2018. The new Articles provide for the composition of the Academy Trust Board of trustees as follows:

The number of Trustees shall not be less than three but are not subject to a maximum. All Trustees shall upon their appointment give a written undertaking to the Trustees and the Diocesan Bishop to uphold the Objects of the Academy Trust. The Articles (articles 50 – 58) allow for the appointment of the following:

The Company shall have the following Trustees:

- Foundation Trustees appointed by the Bishop the number of whom shall ensure that they are in a majority of two over all other categories of Director;
- Other Foundation Trustees appointed by the Bishop;
- 2 Parent Trustees (only if parent governors are not represented at Local Governing Body Level). The current composition of Local Governing Bodies includes 2 parent governors;
- Co-opted Trustees who can be appointed by the Board.

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

**Term of Office**

The term of office for any Trustee shall be 4 years save that this time limit shall not apply to Co-opted Trustees who may remain in post for the duration of a particular project.

**Resignation and Removal**

A Trustee shall cease to hold office if he resigns his office by notice to the Company (but only if at least three Trustees will remain in office when the notice of resignation is to take effect). A Trustee shall cease to hold office if he is removed by the person or persons who appointed him.

**Recruitment of Trustees**

When a vacancy arises for a Trustee, the Academy Trust will identify, through its skills audit, whether there is a shortage of a particular skill and will make every effort to address this through recruitment. Notices are sent out via the academies and in the parish newsletters to publicise the vacancies. The Diocesan Education Service seeks to move Trustees between Academy Trusts where appropriate.

**Changes to the composition of the Board and challenges during the year**

The Academy Trust was identified by the Diocese in September 2017 as the legal entity which would form the new St Ralph Sherwin Catholic Multi Academy Trust on 1 September 2018. In readiness for the expansion of the Academy Trust, the Board adopted new articles on 23 July 2018 and changed its name on 4 May 2018. The diocese appointed a Chair designate, Mrs Jacqueline Rodden, who was appointed as a Director at Companies House on 2 July 2018.

The main challenge for the Board during the year was to ensure that the academies within the Academy Trust continued to improve and develop whilst allocating business resource to the expansion of the Academy Trust. Agreement was reached with the Diocese to second the Company Secretary on a part time basis to work as Implementation Project Lead for the St Ralph Sherwin Catholic Multi Academy Trust and to manage the academy conversions and mergers for the 21 schools and academies joining the Trust. The Academy Trust Finance Director managed the funds held for MAT expansion and regular reports were presented to the Board. The Risk Register for the Academy Trust was updated to reflect this major expansion and reorganisation.

Appointments to the Board with dates are detailed on page 3.

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

The Academy Trust has an approved Induction Policy and Checklist. All new Trustees have a Trustee mentor to support them through the induction period. Each academy has budget provision for governance including CPD. All Trustees are subject to DBS enhanced clearance and are required to declare their business interests. Trustees are required to sign an undertaking to uphold the Catholic ethos of the Academy Trust. The Academy Trust buys into a comprehensive Trustee and Governor support service delivered by The Derby Governor Partnership, subscribes to the National Governor Association as Gold Members and accesses all training and support through the Nottingham Roman Catholic Diocesan Education Service. A full record of governor and Trustee training is maintained on Trust Governor, the Academy Trust online governance portal, and the Clerk updates training records at each meeting.

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

**Organisational structure**

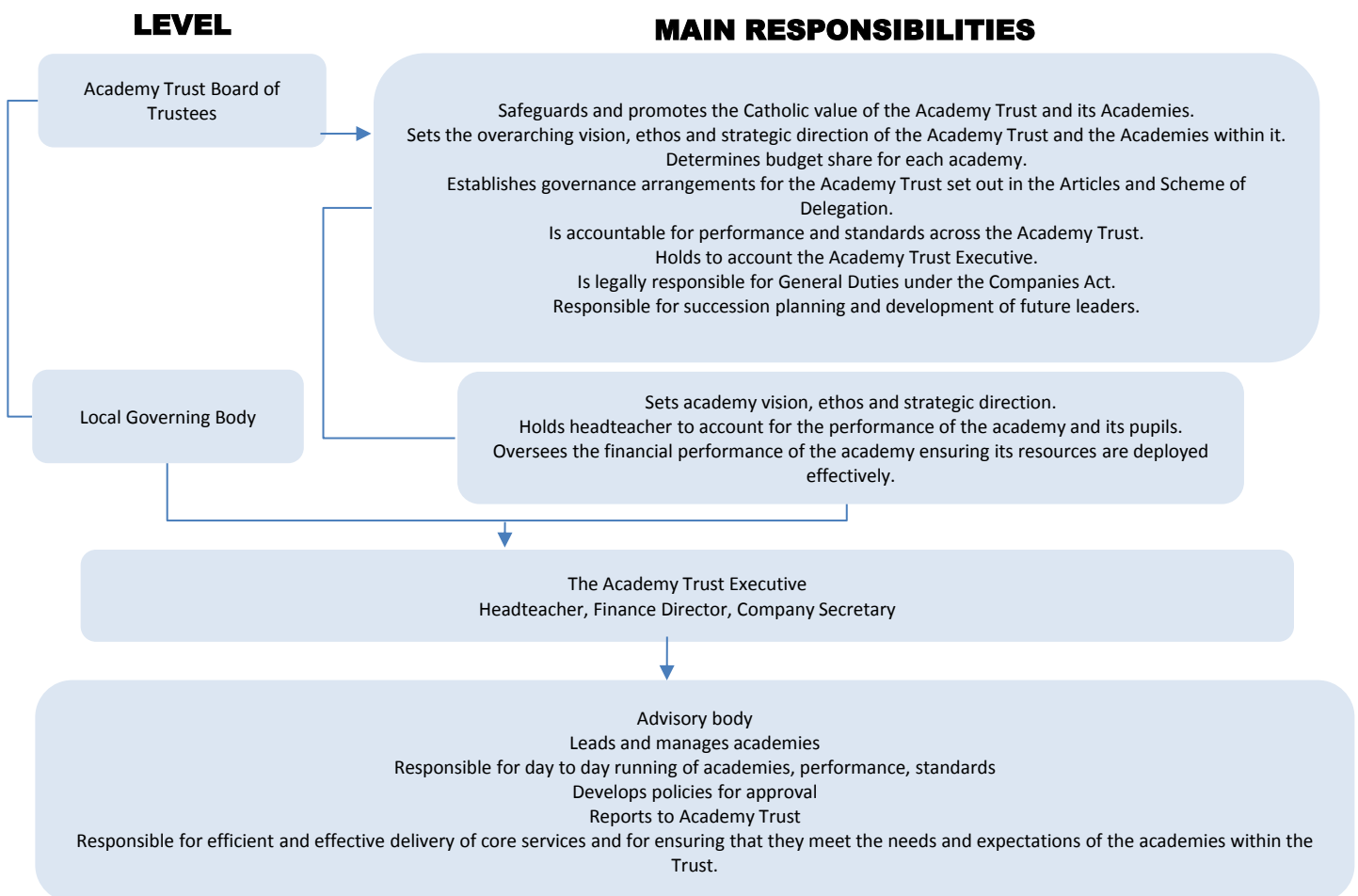
The Academy Trust operates within the umbrella of the Nottingham Roman Catholic Diocesan Trustees, a company limited by guarantee, company number 07151646 and charity number 1134449.

The Academy Trust comprised four Academies during the period ended 31 August 2018: The Priory Catholic Voluntary Academy, Saint John Houghton Catholic Voluntary Academy, English Martyrs' Catholic Voluntary Academy and Saint Joseph's Catholic Voluntary Academy – a sponsored academy. The Academies have Local Governing Bodies (committees of the Academy Trust) which oversee the day to day running of the Academies under a Scheme of Delegation.

The Academy Trust has an Accounting Officer. The Academy Trust did not have a Chief Executive until 1 September 2018. This model is consistent with other Multi Academy Trusts in the Diocese of Nottingham prior to 31 August 2018.

The organisational structure in place up to 31st August 2018 is illustrated below:

**Governance Structure**



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

The Scheme of Delegation sets out which areas are delegated from the board of trustees to the Local Governing Body and other committees of the Academy Trust.

Matters reserved for the Academy Trust Board of Trustees during the period were:

- setting the Academy Trust Strategic Plan;
- Budget Share for each academy;
- Top Slice amount for each academy and the central services to be delivered from the top slice;
- HR policies and procedures;
- Governance Framework including the Terms of Reference for each committee of the Trust which are reviewed annually;
- Setting a common schedule for committee meetings, common agendas and consistency of reporting;
- Appointment of Executive Posts (Headteachers, Finance Trustee, Company Secretary).

The Academy Trust aims to increase the number of services procured centrally as economies of scale are achieved through expansion and aims to increase the number of policies and procedures held at Trust level to ease the burdens on individual academies.

**Trade union facility time**

**Relevant union officials**

There are no employees who were relevant union officials during the accounting period.

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

**Headteachers**

Each Local Governing Body oversees the performance appraisal of its Headteacher supported by an external adviser appointed by the Academy Trust. A review of Headteacher performance against objectives is carried out annually during the Autumn Term and pay recommendations are then put to the Pay Committee of the Academy Trust for moderation and ratification. Headteacher pay awards are made within the relevant ISR set for the Headteacher on appointment and the criteria are the performance measures set in advance by the Local Governing body supported by the external advisor.

Objectives are set according to the priorities set out in the Academy Trust Strategic Plan as interpreted by the relevant Academy Improvement Plan. The arrangements for Headteacher performance management changed on 1 September 2018 under the new line management arrangements.



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

**Other key management personnel**

The Finance Director and Company Secretary (operational posts) pay and remuneration will be reviewed by the Academy Trust Pay Committee on the recommendation of the Accounting Officer. Objectives are set according to the priorities set out in the Academy Trust Strategic Plan.

The Academy Trust has a Pay Policy in place and has adopted the Catholic Education Service policies on Teacher and Staff Appraisal. These policies will remain current until reviewed and amended under the new St Ralph Sherwin Catholic Multi Academy Trust arrangements.

**Related Parties and other Connected Charities and Organisations**

The Academy Trust operates within the umbrella of the Nottingham Roman Catholic Diocesan Trustees, a company limited by guarantee, company number 07151646 and charity number 1134449.

The Academy Trust comprises The Priory Catholic Voluntary Academy, Saint John Houghton Catholic Voluntary Academy, English Martyrs' Catholic Voluntary Academy and Saint Joseph's Catholic Voluntary Academy – a sponsored academy. St Thomas Catholic Primary School is a partner primary school in the family of schools.

**Persons/Organisations with Significant Control**

The Academy Trust has complied with the new requirement to record Persons or Organisations with Significant Control. A record is lodged with Companies House recognising the founder Members as Persons with Significant Control as advised by the NRCDES. This will be updated to reflect those with significant control in the new arrangements following legal advice.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The Company's objects in the new Articles remain broadly the same and are specifically restricted to the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and properly, but without prejudice to establishing and developing Catholic Schools; establishing and developing other schools and promoting for the benefit of the local community recreation and leisure facilities for those at disadvantage or the general public in order to improve their condition of life.

The Academy Trusts Aims for the period ending 31 August 2018 are set out in full in the Saint Robert Lawrence Catholic Academy Trust Strategic Plan 2016-2019.

**Objectives, strategies and activities**

The academies within the Academy Trust have the following Mission Statements which underpin all activities:

***The Priory Catholic Voluntary Academy:***

'A place to learn: have fun, grow and develop, in the light and love of Christ.'

Through living out our mission statement, we know that we provide a caring school community in which children feel happy and secure. We know that by placing an emphasis on quality teaching and learning, where children are provided with a rich, stimulating and relevant learning environment, we are creating a strong foundation on which future achievements will be built. Not only do we want to prepare our children for the next stage of their lives, but also throughout their time with us, we hope they become increasingly confident and independent as learners. We want all of our children to achieve success and return to school eagerly each day. We place great value on a close working relationship with parents, wishing to build an effective partnership to support your children throughout their time with us.

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

***Saint John Houghton Catholic Voluntary Academy:***

We aspire:

- to be recognised for the quality of care extended to all associated with us and to respect each person's;
- to make the faith life of the school inform and effect work in all areas of the curriculum;
- to be a 'family', embracing home and parish, with an awareness of its responsibilities to both local and worldwide communities;
- to establish a whole curriculum which will balance the highest academic standards with the life skills and critical awareness necessary to enable all students to reach their full potential and to respond to the needs of society.

***English Martyrs' Catholic Voluntary Academy***

We walk with Jesus and:

- love one another;
- inspire and respect;
- grow in friendship;
- have faith;
- trust in God.

***Saint Joseph's Catholic Voluntary Academy***

"Live Like Jesus"

We aim to provide a varied curriculum as well as providing after school clubs for sporting as well as art related activities. Our focus on the environment is another vital element of our school. We are a Fairtrade school, Forest School as well as a Silver Eco School and are continually looking to improve and further embed our environmental ethos. We also highly value PE and School Sport and take part in regular sporting events. We recently achieved the PE and School Sport Silver award which reflects all the opportunities that children receive here at St Joseph's.

**OBJECTIVES AND ACTIVITIES**

Each academy provides an inclusive education in line within the national curriculum framework which meets the Ofsted inspection guidelines. Enrichment activities are planned appropriate to each year group. Staff receive appropriate CPD to enable them to deliver these activities.

Each academy meets its legal duties in terms of Health and Safety, Safeguarding and Child Protection and HR.

During the year the stated aims of the Academy Trust were as set out in the Strategic Plan:

- Catholicity and the development of the whole child: All academies to ensure that each child is safe, happy and supported to reach their full potential as sons and daughters of God;
- Outcomes: All academies are enabled to reach good or better outcomes;
- School Improvement: To establish a self-sustaining, system-led collaborative approach to improvement;
- Leadership: To ensure high quality leadership and governance at Trust, Local Governing Body and academy level;
- Business: To strengthen the Trust to ensure that Catholic provision is sustainable and available for 3-18 year olds in the local area.

Reports to the Academy Trust Board of Trustees detail progress against these aims at each meeting. Of particular note is the Academy Trust's leading role in the Plan for Catholic Schools in the Diocese of Nottingham which aimed to expand the Trust to include a total of 5 secondary and 20 primary academies on 1 September 2018. This was achieved on 1 September 2018.

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

**Public benefit**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commissions general guidelines in public benefit. During the period ended 31 August 2018 the Academy Trust looks to promote for the benefit of individuals living in the parishes of: Our Lady and St Thomas of Hereford, Ilkeston; Our Lady of Good Counsel, Eastwood; St Francis of Assisi, Long Eaton; St John the Evangelist, Stapleford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals. The Academy Trust continues to achieve public benefit through provision of education for the good of the local communities served by each academy. These provisions are enshrined in the Admissions Policies and Oversubscription criteria which are approved by the Diocese and are in compliance with the Admissions Code.

**STRATEGIC REPORT**

**Key performance indicators End of Key Stage Results**

**Saint John Houghton KS4 Results**

<b>Ofsted Category</b>	<b>Requires Improvement (3)</b>		
<b>Canonical Inspection Category</b>	<b>Outstanding (1)</b>	<b>2018</b>	<b>2017</b>
Progress 8		-0.16	-0.4
Attainment 8		49.23	45.6
Achieving a Standard Pass (4+) in English and Maths		72%	72%
Achieving a Strong Pass (5+) in English and Maths		51%	53%
English Baccalaureate (% entered / achieved)		48%/-%	17%/12%

**English Martyrs KS2 Results**

<b>Ofsted Category</b>	<b>Outstanding (1)</b>		
<b>Canonical Inspection Category</b>	<b>Outstanding (1)</b>	<b>2018</b>	<b>2017</b>
% Expected Reading		98%	91%
Reading Average Scaled Score		109	108
% Expected Grammar, Punctuation and Spelling		98%	86%
Grammar, Punctuation and Spelling Average Scaled Score		111	108
% Expected Writing		90%	84%
% Expected Maths		98%	93%
Maths Average Scaled Score		109	109
% achieving expected level in Reading, Writing and Maths		90%	80%

**The Priory KS2 Results**

<b>Ofsted Category</b>	<b>Good (2)</b>		
<b>Canonical Inspection Category</b>	<b>Outstanding (1)</b>	<b>2018</b>	<b>2017</b>
% Expected Reading		77%	76%
Reading Average Scaled Score		105	105
% Expected Grammar, Punctuation and Spelling		84%	79%
Grammar, Punctuation and Spelling Average Scaled Score		108	107
% Expected Writing		84%	85%
% Expected Maths		81%	85%
Maths Average Scaled Score		105	107
% achieving expected level in Reading, Writing and Maths		68%	71%

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

STRATEGIC REPORT (cont'd)

Saint Joseph's KS2 Results

Ofsted Category

Canonical Inspection Category

	Special Measures (4) Inadequate (4)	2018	2017
% Expected Reading		74%	54%
Reading Average Scaled Score		102	102
% Expected Grammar, Punctuation and Spelling		61%	50%
Grammar, Punctuation and Spelling Average Scaled Score		100	101
% Expected Writing		62%	57%
% Expected Maths		57%	61%
Maths Average Scaled Score		101	102
% achieving expected level in Reading, Writing and Maths		57%	43%

Key Financial Performance Indicators

The trust established a financial budget at the start of the year and then monitored performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. It is anticipated that benchmarking will be a key tool in ensuring the academy is delivering value for money.

Saint John Houghton Catholic Voluntary Academy

	2018	2017
Pupil numbers	665	647
Staff costs as a % of total revenue grant income	87%	87%
Staff costs as a % of total costs	85%	83%
Capital expenditure per pupil	£14	£nil

The Priory Catholic Voluntary Academy

	2018	2017
Pupil numbers	217	220
Staff costs as a % of total revenue grant income	92%	91%
Staff costs as a % of total costs	82%	78%
Capital expenditure per pupil	£60	£nil

English Martyrs' Catholic Voluntary Academy

	2018	2017
Pupil numbers	281	295
Staff costs as a % of total revenue grant income	78%	76%
Staff costs as a % of total costs	77%	73%
Capital expenditure per pupil	£nil	£60

St Joseph's Catholic Voluntary Academy

	2018	2017
Pupil numbers	143	166
Staff costs as a % of total revenue grant income	84%	87%
Staff costs as a % of total costs	82%	76%
Capital expenditure per pupil	£189	£nil

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 taking account of its expansion to include 25 academies. 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

During the year the Trust received income of £7,008,000 (2017: £6,162,000) in government, local authority and other grants, most of it in the form of recurrent grants, the use of which has been restricted.

At 31 August 2018 the net book value of fixed assets was £2,843,000 (2017: £8,804,000) and a break down is shown in note 13 of the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

The Trust held fund balances at 31 August 2018 of £1,369,000 (2017: £6,857,000). This includes the fixed asset fund and local government pension's deficit of £34,000 (2017: £5,784,000). The majority of the pension deficit was transferred on conversion to academy status. Cash at bank and in hand at 31 August 2018 was £1,655,000 (2017: £1,435,000).

**Reserves policy**

The Trustees policy is to review the reserve levels of the Academy annually. The policy of the Academy Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to the constraint that the level of resources does not exceed the level permitted by the ESFA.

The Academy Trust has a policy of carrying forward internal under/overspends. This does result in an increase/decrease in the Academy Trust reserves.

During 2016/17 the Trust took the decision to hold reserves across the Trust to mitigate against the risk of falling pupil numbers and changes to the funding formula. Currently the Academy Trust has set a minimum level of reserves equal to 30 days operating expenditure, which during 2017/18 was approximately £600,000 (2016/17: £550,000). Future use of the reserves will include protection against lagged funding resulting from general expansion.

- the value of free reserves (unrestricted reserves) held at 31 August 2018 is £590,000 (2017: £609,000)
- the value of restricted general funds held at 31 August 2018 is £745,000 (2017: £464,000)
- the value of total funds, including the fixed asset fund and the local government pension deficit, held at 31 August 2018 is £1,369,000 (2017: £6,857,000)

The value of reserves held falls within the Academy Trust Reserves Policy.

**Investment policy and performance**

The Academy Trust has an Investment Policy in place. The aim of this policy is to ensure that funds which Saint John Houghton Catholic Voluntary Academy and The Priory Catholic Voluntary Academy do not immediately need to cover anticipated expenditure are invested in such a way as to maximise the academies' income but without risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. We do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Each academy will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of each academy.

From time to time, operational and strategic decisions related to the education of students will result in substantial cash balances at the bank over a sustained period.

These periods are identified by the Finance Trustee as part of their normal forecasting activity and, when identified, may result in one or all academies making an investment in accordance with any guidance provided in the Academies' Financial Handbook.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "Risk that the return on investments is not being maximised" and "Risk that trustees are not acting in accordance with their Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy)".

The principles to be adopted are as follows:

- where practicable the reserve is invested in tranches of up to £75,000;
- consideration should be given to investing each £75,000 tranche in a different authorised financial institution;
- investments in institutions other than Lloyds Bank must be authorised by the Academy Trust on the recommendation of the Finance Trustee;
- re-investment is automatically undertaken for the principal and interest unless funds are required for anticipated expenditure.

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

All investments approved as above must be authorised by the Headteacher and Finance Trustee/Business Manager at each academy.

**PRINCIPLE RISKS AND UNCERTAINTIES**

The principal risks for the Trust during the next few years are the fluctuation in student numbers which directly impacts on funding and with ever tighter financial constraints and the lagged effect of funding pupil places means that tight budget monitoring is key. Plans to widen the remit of the Trust to include 5 secondary schools and 25 primary schools in total will ensure the future sustainability of the Trust. Removal of free/subsidised transport to faith schools may have an adverse impact on admission numbers and work has begun with transport companies to mitigate against this risk, however the expansion plans of the Trust have resulted in an increase in numbers from the local area not affected by the transport issue. The Academies closely monitor applications for places and model the financial implications of any trends. Full details of the expansion programme are set out in the Plan for Catholic Schools in the Diocese of Nottingham Part 2 published by Peter Giorgio, Director of Education, in September 2017. The Plan was approved by the Regional Schools Commissioner and has been implemented with all 25 schools joining St Ralph Sherwin Catholic Multi Academy Trust on 1 September 2018.

**Financial risk management objectives and policies up to 31 August 2018**

The Trust's exposure to risk was largely bank balances, cash and trade creditors, with limited trade debtors. The Trust has inherited the Local Government Defined Benefit Pension Scheme deficit for associate staff of the academy.

**Risk management**

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Risk Register is reviewed regularly as part of the Academy Trust Strategic Plan.

**Treatment of Church Land and Buildings**

The Academy Trust has included the land and buildings in the financial statements based on the information reported to the DfE/ESFA in the Land and Buildings Collection Tool in October 2017 which has been approved by the Diocese of Nottingham.

**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- our approach to fundraising is to seek opportunities where appropriate taking account of the circumstances and context of our school community without putting pressure on any potential donor;
- we work with the following professional fundraisers – Just Giving and the School Lottery;
- we raise funds only through established school and academy partners and fundraising is voluntary;
- the academy trust does not delegate or contract out fund raising to any organisation not directly linked with the Academy Trust to ensure close monitoring of all fundraising. Examples are the Parent Teacher Associations for each academy;
- the academy trust has the following complaints procedure: Diocesan Complaints Procedure;
- the academy trust protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate by making clear that donations are not compulsory as set out in the Trust Charging and Remissions Policy.

**Plans for future periods**

The St Ralph Sherwin Catholic Multi Academy Trust will continue to operate in accordance with the Objects and will seek to implement the objectives set out in the new Strategic Plan which will be approved by the Board in October 2018.

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

The Academy Trust will continue to seek funding to support its growth and to support the academies within the Trust to maintain standards and outcomes.

**Funds held as Custodian Trustee on Behalf of Others**

Regional Academy Growth Fund £392,901 was held by the St Ralph Sherwin Catholic Multi Academy Trust for the expansion of the Academy Trust for the benefit of all 25 schools and academies joining the Academy Trust on 1 September 2018.

**Disclosure of information to auditors**

As far as the Trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees as the company Trustees, on 20 December 2018 and signed on its behalf by:

.....  
**Mrs Jennifer Williamson**  
**Chair of Trustees**

**20 December 2018**

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Ralph Sherwin Catholic Multi Academy Trust (formerly Saint Robert Lawrence Catholic Academy Trust) and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Melanie Barker	4	4
Mr Peter Barnes	-	-
Mr David Boott	5	5
Mrs Lorraine Collins	4	4
Mrs Cathy Gabriel	3	5
Mrs Fiona Galli	4	5
Mr Anthony Harrison	5	5
Dr Caroline Henry	2	3
Mrs Catherine Mann	4	5
Mrs Joan McCarthy	4	5
Mr Dominic Roberts (Chair until 31 August 2018)	5	5
Mrs Jacqueline Rodden (Chair from 1 September 2018)	-	-
Mr Paul Scully	1	1
Rev Martin Sylvester	-	5
Mrs Jennifer Williamson	1	5
Ms Elizabeth Winton	-	-

**The Academy Trust has the following committees:**

The Local Governing Bodies of each academy, The Pay Committee, and The Implementation Committee (set up October 2017).

**The Audit Committee:**

Attendance during the year at meetings of the Audit Committee was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Jennifer Williamson (Chair)	2	3
Mrs Joan McCarthy	3	3
Mr James Tate	2	3
Mrs Cathy Gabriel	1	1
Mr Dominic Roberts	1	1



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**Governance reviews**

The Academy Trust reviewed its structures and governance arrangements as part of the Plan for Catholic Schools in the Diocese of Nottingham Parts 1 and 2, commissioned by the Bishop of Nottingham and delivered by Peter Giorgio, Director of Education for Nottingham Roman Catholic Diocesan Education Service in September 2017. The new arrangements came into force on 1 September 2018. The Board decided not to change the governance arrangements put in place in September 2015 as a wider review of governance had been undertaken by the Diocesan Working Groups the outcome of which is detailed in the annexes to the Diocesan Plan.

A decision not affecting the governance arrangements was to register a change of name at Companies House to St Ralph Sherwin Catholic Multi Academy Trust on 4 May 2018.

**Review of Value for Money**

The Accounting Officer 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- the Trust has a leading role in procuring new finance and HR systems for the expanded Academy Trust. Representatives from the Academy Trust sat on the Churchmarketplace tender panels to secure the most appropriate and cost effective services for Catholic Trusts in the areas of accountancy & audit and HR services.
- providing safeguarding training for staff across the Trust and in the family of schools.
- providing GDPR resources and training across the Trust.
- investing in Trust Governor to improve communication and decision making at trustee and director level and securing a Trust wide contract for all 25 academies joining the Trust on 1st September 2018.
- the services of the Finance Director have been shared across the Trust for the benefit of the academies.
- the services of the Company Secretary have been charged out partly to the implementation project and partly to support another primary school in the diocese.
- the trust has used flexibilities provided by the ESFA to take out an operating lease in order to provide extra classroom space at one academy which has enabled growth.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**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 Local Governing Bodies of financial reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- the Trust also adopted the Budget Setting Strategy issued in February 2018 as part of the implementation of the new expanded Academy Trust which provided benchmarks and KPIs for staffing ratios, reserve levels and in year balanced budgets.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trust has an Audit Committee. The Trustees appointed UHY Hacker Young (Birmingham) LLP, the external auditors, to perform additional checks for the year 2017/18.

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

- Confirming control accounts are prepared and reviewed for the main balance sheet accounts;
- Reviewing financial controls to ensure all appropriate checks, countersignatures and division of duties were operational;
- Ensuring Fixed Asset Registers are maintained at each of the academies;
- Ensuring competitive tendering is adopted at each Academy;
- Ensuring the governing body take responsibility for the finances of each Academy through the regular review of management accounts;
- Ensuring the forecast position for each Academy is regularly updated and provided to the board;
- Ensuring budgets are actively managed by budget holders;
- Confirming and testing controls over payroll for new starters, changes to payroll information and leavers;
- Testing purchases to ensure both probity and regularity controls are operational.

On an annual basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**Review of Effectiveness**

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees 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 20 December 2018 and signed on their behalf, by:

.....  
**Mrs Jennifer Williamson**  
**Chair of Trustees**

.....  
**Mrs Joan McCarthy**  
**Accounting Officer**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST  
2018**

As accounting officer of St Ralph Sherwin Catholic Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

.....  
**Mrs Joan McCarthy**  
**Accounting Officer**

**20 December 2018**

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

The trustees (who act as governors of the St Ralph Sherwin Catholic Multi Academy Trust 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the St Ralph Sherwin Catholic Multi Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the St Ralph Sherwin Catholic Multi Academy Trust 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 St Ralph Sherwin Catholic Multi Academy Trust 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20 December 2018 and signed on its behalf by:

.....

**Mrs Jennifer Williamson**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2018**

**Opinion**

We have audited the financial statements of St Ralph Sherwin Catholic Multi Academy Trust (the 'academy trust') for the year ended 31 August 2018 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....  
**Malcolm Winston**  
**Senior Statutory Auditor**  
**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**

**20 December 2018**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018**

In accordance with the terms of our engagement letter dated 5 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the St Ralph Sherwin Catholic Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the St Ralph Sherwin Catholic Multi Academy Trust and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 St Ralph Sherwin Catholic Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Ralph Sherwin Catholic Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the St Ralph Sherwin Catholic Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 2017 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2017 to 2018. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the St Ralph Sherwin Catholic Multi Academy Trust's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**Approach (cont'd)**

- Review of the general control environment for the St Ralph Sherwin Catholic Multi Academy Trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the multi academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the multi academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees; and
- Review of income received in accordance with the activities permitted within the multi academy trust's charitable objectives.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
**Reporting Accountant**  
**UHY Hacker Young (Birmingham) LLP**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**

**20 December 2018**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018  
(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2018	2017
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
				£'000		
<b>Income from:</b>						
Donations and capital grants	3	4	39	110	153	50
Transferred from local authority on conversion	3 & 28	-	-	-	-	(184)
Transferred from BVM English Province on conversion	3 & 28	-	-	-	-	2,155
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	7,008	-	7,008	6,162
Other trading activities	5	119	-	-	119	101
Investment income	6	1	-	-	1	3
<b>Total</b>		<b>124</b>	<b>7,047</b>	<b>110</b>	<b>7,281</b>	<b>8,287</b>
<b>Expenditure on:</b>						
Raising funds	7	69	-	-	69	88
Charitable activities:						
- Academy trust's educational operations	7	-	7,218	183	7,401	6,546
Freehold land impairment	7 & 13	-	-	5,871	5,871	-
<b>Total</b>		<b>69</b>	<b>7,218</b>	<b>6,054</b>	<b>13,341</b>	<b>6,634</b>
<b>Net (expenditure)/income</b>		<b>55</b>	<b>(171)</b>	<b>(5,944)</b>	<b>(6,060)</b>	<b>1,653</b>
Transfers between funds	16	(74)	66	8	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	26	-	572	-	572	512
<b>Net movement in funds</b>		<b>(19)</b>	<b>467</b>	<b>(5,936)</b>	<b>(5,488)</b>	<b>2,165</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>	16 & 30	609	(2,556)	8,804	6,857	4,692
<b>Total funds carried forward</b>	16	<b>590</b>	<b>(2,089)</b>	<b>2,868</b>	<b>1,369</b>	<b>6,857</b>

All of the St Ralph Sherwin Catholic Multi Academy Trust's activities derive from acquisitions and continuing operations during the above two financial periods.

**BALANCE SHEET AS AT 31 AUGUST 2018**

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	13	<u>2,843</u>	<u>8,804</u>
		<u>2,843</u>	<u>8,804</u>
<b>Current assets</b>			
Debtors	14	395	195
Cash at bank and in hand		<u>1,655</u>	<u>1,435</u>
		<u>2,050</u>	<u>1,630</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(690)</u>	<u>(557)</u>
<b>Net current assets</b>		<u>1,360</u>	<u>1,073</u>
<b>Total assets less current liabilities</b>		<u>4,203</u>	<u>9,877</u>
<b>Net assets excluding pension liability</b>		<u>4,203</u>	<u>9,877</u>
Defined benefit pension scheme liability	26	(2,834)	(3,020)
<b>Total Net Assets</b>		<u><u>1,369</u></u>	<u><u>6,857</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	16	2,868	8,804
- Restricted income fund	16	745	464
- Pension reserve	16	<u>(2,834)</u>	<u>(3,020)</u>
<b>Total Restricted Funds</b>		<u><u>779</u></u>	<u><u>6,248</u></u>
<b>Unrestricted income fund</b>	16	<u>590</u>	<u>609</u>
<b>Total Unrestricted Funds</b>		<u>590</u>	<u>609</u>
<b>Total Funds</b>		<u><u>1,369</u></u>	<u><u>6,857</u></u>

The financial statements on pages 26 to 49 were approved by the trustees and authorised for issue on 20 December 2018 and signed on their behalf by:

.....  
**Mrs Jennifer Williamson**  
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	202	156
Cash flows from investing activities	21	18	(2)
Cash flows from financing activities	22	-	-
Change in cash and cash equivalents in the reporting period		<u>220</u>	<u>154</u>
Cash and cash equivalents at 1 September	23	1,435	1,281
Cash and cash equivalents at 31 August	23	<u>1,655</u>	<u>1,435</u>

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

**1 Statement of Accounting Policies**

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

**Basis of Preparation**

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

St Ralph Sherwin Catholic Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**Transfer of State Maintained School to a Multi Academy Trust**

The transfer of a state maintained schools to the St Ralph Sherwin Catholic Multi 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 the Local Authority to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. Their fair value is in accordance with the accounting policies set out for St Ralph Sherwin Catholic Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities and analysed as donations transferred from local authority on conversion. Further details of the transactions are set out in note 28.

**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 company 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.

**Income**

All incoming resources are recognised when the St Ralph Sherwin Catholic Multi Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

Capital grants are recognised when receivable 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 sheet in creditors; amounts falling due within one year in deferred income.

• **Sponsorship income**

Sponsorship income provided to the St Ralph Sherwin Catholic Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

● **Donated goods, facilities and services**

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.

● **Transfers on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Donations and capital grant income.

**Expenditure**

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

● **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

● **Charitable Activities**

These 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.

**Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Where academies are operating under a licence to occupy, the land and buildings are not recognised as fixed assets in the financial statements.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Depreciation is provided on leasehold land where the lease is 25 years or less. The principal annual rates used for assets are:

Short leasehold	4-5%
Fixtures and fittings	10%
Computer equipment and software	33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**Tangible Fixed Assets (cont'd)**

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.

The academy trust company occupies land (including buildings) which are owned by its Trustees who are Nottingham Roman Catholic Diocesan Trustees. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their 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. 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).

The academy trust company occupies land and buildings at St Joseph's Catholic Voluntary Academy under a short leasehold of 20 years or less with Sisters of the BVM English Province. Depreciation on the land and buildings is charged directly to the restricted fixed assets fund in the Statement of Financial Activities over the life of the leasehold.

The academy trust company occupies land and buildings at The Priory Catholic Voluntary Academy under a short leasehold of 25 years or less with Nottingham Roman Catholic Diocesan. Depreciation on the land and buildings is charged directly to the restricted fixed assets fund in the Statement of Financial Activities over the life of the leasehold.

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Financial Instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

*Cash at bank* - is classified as a basic financial instrument and is measured at face value.

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

**Taxation**

The St Ralph Sherwin Catholic Multi 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 multi 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.

**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

The LGPS is a funded scheme and the assets are held separately from those of the St Ralph Sherwin Catholic Multi 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 the scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

**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 St Ralph Sherwin Catholic Multi Academy 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

***Critical areas of judgement***

The critical judgements that the Trustees have made in the process of applying the St Ralph Sherwin Catholic Multi Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Agency arrangements**

The academy trust acts as an agent in collecting music tuition fees from pupils on behalf of the tuition provider. The funds received and paid and any balances held are disclosed in note 29.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the St Ralph Sherwin Catholic Multi Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018 (see note 16).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Devolved formula capital grant	-	32	32	13
CIF grant	-	17	17	-
Capital Donations	-	61	61	-
BVM English Province fixed assets donation	-	-	-	2,155
Diocese prior years surplus b/fwd	-	-	-	3
DCC fixed assets donation	-	-	-	15
DCC prior years surplus b/fwd	-	-	-	20
School fund prior years surplus b/fwd	-	-	-	14
DCC LGPS pension deficit transferred	-	-	-	(233)
School fund	-	3	3	2
Revenue Donations	4	36	40	32
	<u>4</u>	<u>149</u>	<u>153</u>	<u>2,021</u>

The income from donations and capital grants was £153,000 (2017: £2,021,000) of which £4,000 (2017: £55,000) was unrestricted, £39,000 (2017: £217,000 deficit) on restricted and £110,000 (2017: £2,183,000) restricted fixed assets.

**4 FUNDING FOR ST RALPH SHERWIN CATHOLIC MULTI ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	5,636	5,636	5,421
Start up grant	-	-	-	100
Pupil premium grant	-	260	260	246
Other DfE/ESFA grants	-	832	832	135
	<u>-</u>	<u>6,728</u>	<u>6,728</u>	<u>5,902</u>
<b>Other Government grants</b>				
Special needs grant	-	261	261	215
Pupil premium grant	-	10	10	18
Other grants	-	3	3	24
	<u>-</u>	<u>274</u>	<u>274</u>	<u>257</u>
Other income from the academy trust's educational operations:				
Other grants	-	-	-	3
Area cluster funding	-	6	6	-
	<u>-</u>	<u>6</u>	<u>6</u>	<u>3</u>
	<u>-</u>	<u>7,008</u>	<u>7,008</u>	<u>6,162</u>

The income from the academy trusts' educational operations was restricted for both 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

5 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Total
	Funds	Funds	2018	2017
	£'000	£'000	£'000	£'000
Hire of facilities	17	-	17	16
Academy trips	-	-	-	6
Catering income	8	-	8	7
Sundry income	94	-	94	72
	<u>119</u>	<u>-</u>	<u>119</u>	<u>101</u>

The income from the academy trusts' other trading activities was unrestricted for both 2018 and 2017.

6 INVESTMENT INCOME	Unrestricted	Restricted	Total	Total
	Funds	Funds	2018	2017
	£'000	£'000	£'000	£'000
Bank interest received	1	-	1	3
	<u>1</u>	<u>-</u>	<u>1</u>	<u>3</u>

The income from the academy trusts's investment income was unrestricted for both 2018 and 2017.

7 EXPENDITURE

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2018	2017
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	39	8	22	69	88
Academy's educational operations					
- Direct costs	4,574	-	356	4,930	4,641
- Allocated support costs	1,153	6,433	756	8,342	1,905
	<u>5,727</u>	<u>6,433</u>	<u>1,112</u>	<u>13,272</u>	<u>6,546</u>
	<u>5,766</u>	<u>6,441</u>	<u>1,134</u>	<u>13,341</u>	<u>6,634</u>

The expenditure was £13,341,000 (2017: £6,634,000) of which £69,000 (2017: £88,000) was unrestricted, £7,218,000 (2017: £6,382,000) restricted and £6,054,000 (2017: £164,000) restricted fixed assets.

	2018	2017
	£'000	£'000
<b>Net income/(expenditure) for the year includes:</b>		
Operating leases rentals	48	23
Depreciation	183	164
Impairment of land - note 13	5,871	-
Fees payable to auditor for:		
- audit	14	21
- other services	3	3
	<u>3</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

8 CHARITABLE ACTIVITIES

	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	4,930	4,641
Support costs - educational operations	8,342	1,905
	<u>13,272</u>	<u>6,546</u>

**Analysis of Support Costs**

Support staff costs	1,151	1,062
Depreciation	183	164
Impairment - note 13	5,871	-
Technology costs	84	124
Premises costs	379	200
Other support costs	506	272
Governance	168	83
	<u>8,342</u>	<u>1,905</u>

9 STAFF COSTS

a Staff costs

	Total 2018 £'000	Total 2017 £'000
Staff costs during the year were:		
Wages and salaries	4,178	3,898
Social security costs	371	334
Operating costs of defined benefit pension schemes	985	919
	<u>5,534</u>	<u>5,151</u>

Agency staff costs	101	158
Staff restructuring costs	53	6
Pension finance cost	78	68
	<u>5,766</u>	<u>5,383</u>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	53	6
	<u>53</u>	<u>6</u>

b Staff severance payments

Included in staff restructuring costs is three non statutory/non contractual severance payments totalling £53,435 (2017: £5,656). Individually the payments were: £18,000 on 5 April 2018; £14,775 on 31 August 2018; and £20,660 on 31 October 2018.

c Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year ended 31 August 2018 expressed as whole persons was as follows:

	2018 No	2017 No
<b>Charitable Activities</b>		
Teachers	67	60
Administration and support	130	133
Management	16	16
	<u>213</u>	<u>209</u>

d Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**9 STAFF COSTS (cont'd)**

**e Key management personnel**

The key management of the St Ralph Sherwin Catholic Multi Academy Trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £433,050 (2017: £418,023).

**10 CENTRAL SERVICES**

St Ralph Sherwin Catholic Multi Academy Trust has provided the following central services to Saint John Houghton Catholic Voluntary Academy, The Priory Catholic Voluntary Academy, English Martyrs' Catholic Voluntary Academy and St Joseph's Catholic Voluntary Academy.

- human resources;
- financial services;
- legal services;
- governance services;
- educational support services; and
- accounting services.

St Ralph Sherwin Catholic Multi Academy Trust charges for these services a flat percentage of 4.5% of all GAG and ESG income, with any surplus at the end of the year being reimbursed to each academy.

The actual amounts charged during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Saint John Houghton Catholic Voluntary Academy	<b>103</b>	<b>127</b>
The Priory Catholic Voluntary Academy	<b>28</b>	<b>34</b>
English Martyrs' Catholic Voluntary Academy	<b>32</b>	<b>40</b>
St Joseph's Catholic Voluntary Academy	<b>27</b>	<b>27</b>
	<b>190</b>	<b>228</b>
	<b>190</b>	<b>228</b>

**11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the St Ralph Sherwin Catholic Multi Academy Trust. The Principal and other staff trustees only receive remuneration in respect of this services provided undertaking the roles of Principal and staff members under their contracts of employment. The value of trustee's remuneration and other remuneration was as follows:

A Harrison (Principal and Trustee)		
Remuneration	£55,000 - £60,000	(2017: £55,000 - £60,000)
Employers pension contributions	£5,000 - £10,000	(2017: £5,000 - £10,000)
J McCarthy (Principal and Trustee)		
Remuneration	£70,000 - £75,000	(2017: £70,000 - £75,000)
Employers pension contributions	£10,000 - £15,000	(2017: £10,000 - £15,000)
C Mann (Principal and Trustee)		
Remuneration	£55,000 - £60,000	(2017: £50,000 - £55,000)
Employers pension contributions	£5,000 - £10,000	(2017: £5,000 - £10,000)
P Scully (Principal and Trustee)		
Remuneration	£40,000 - £45,000	(2017: 35,000 - £40,000)
Employers pension contributions	£0 - £5,000	(2017: £5,000 - £10,000)

During the year ended 31 August 2018 or 31 August 2017 no trustee received any reimbursement of travel and subsistence expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

**12 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The academy has joined the DfE's Risk Protection Arrangement. The arrangement provides unlimited cover on any one claim and the cost for the year ended 31 August 2018 is included within the total insurance cost.

**13 TANGIBLE FIXED ASSETS**

	<b>Leasehold</b>					
	<b>Land &amp; Buildings</b>	<b>Freehold Land</b>	<b>Furniture &amp; Equipment</b>	<b>Computer Equipment</b>	<b>Assets Under Construction</b>	<b>Total</b>
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 September 2017	2,588	6,190	431	117	-	9,326
Additions	16	-	29	47	1	93
Disposals	-	-	-	-	-	-
At 31 August 2018	<u>2,604</u>	<u>6,190</u>	<u>460</u>	<u>164</u>	<u>1</u>	<u>9,419</u>
<b>Depreciation</b>						
At 1 September 2017	185	-	246	91	-	522
Charged in year	125	-	45	13	-	183
Disposals	-	-	-	-	-	-
Impairment charge for year		5,871				5,871
At 31 August 2018	<u>310</u>	<u>5,871</u>	<u>291</u>	<u>104</u>	<u>-</u>	<u>6,576</u>
<b>Net book value</b>						
At 31 August 2018	<u>2,294</u>	<u>319</u>	<u>169</u>	<u>60</u>	<u>1</u>	<u>2,843</u>
At 31 August 2017	<u>2,403</u>	<u>6,190</u>	<u>185</u>	<u>26</u>	<u>-</u>	<u>8,804</u>

In accordance with the requirements of FRS 102 an existing use valuation has been prepared for the academy trust by a firm of Chartered Surveyors FHP Property Consultants. As a result of this valuation an impairment of £5,871,320 has been charged to reduce the net book value of the freehold land to its fair value of £319,000 at 27 February 2018.

**14 DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	8	2
VAT recoverable	83	46
Other debtors	1	4
Prepayments and accrued income	<u>303</u>	<u>143</u>
	<u>395</u>	<u>195</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

<b>15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	228	60
Taxation and Social Security	83	88
Other creditors	109	156
Accruals	189	142
Deferred income	81	111
	<u>690</u>	<u>557</u>
<b>Deferred Income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September 2017	111	77
Resources deferred in the year	81	111
Amounts released from previous years	(111)	(77)
Deferred income at 31 August 2018	<u>81</u>	<u>111</u>

At the balance sheet date St Ralph Sherwin Catholic Multi Academy Trust was holding funds received in advance for 2018/19 for universal infant free school meals £51,877 (2017: £55,573); devolved formula capital £nil (2017: £25,532); rates relief £12,846 (2017: £8,159); SEN funding £11,667 (2017: £14,968); catering income £3,903 (2017: £3,607); childcare vouchers £356 (2017: £nil) and company secretary recharge £nil (2017: £3,250).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	217	5,636	(5,727)	63	189
Start up grant (note ii)	-	-	-	-	-
Pupil premium grant (note iii)	-	270	(270)	-	-
School fund (note iv)	163	3	15	3	184
Special needs grant - LA (note v)	-	261	(261)	-	-
Other LA grants (note vi)	-	3	(3)	-	-
Other DfE/ESFA (note vi)	84	832	(544)	-	372
Other restricted (note vi)	-	42	(42)	-	-
<b>Total general funds</b>	<b>464</b>	<b>7,047</b>	<b>(6,832)</b>	<b>66</b>	<b>745</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	64	7	(17)	-	54
Fixed assets donation - DCC (note vii)	90	-	(19)	-	71
Fixed assets donation - NRCD (note vii)	6,528	50	(5,887)	-	691
Fixed assets donation - BVM English Province (note vii)	2,065	-	(112)	-	1,953
Capital expenditure from GAG (note vii)	57	-	(14)	8	51
Condition Improvement Fund	-	17	-	-	17
Devolved Formula Capital grant	-	25	(4)	-	21
Voluntary Donations	-	11	(1)	-	10
<b>Total fixed asset funds</b>	<b>8,804</b>	<b>110</b>	<b>(6,054)</b>	<b>8</b>	<b>2,868</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note viii)	(3,020)	-	(386)	572	(2,834)
	(3,020)	-	(386)	572	(2,834)
<b>Total restricted funds</b>	<b>6,248</b>	<b>7,157</b>	<b>(13,272)</b>	<b>646</b>	<b>779</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note ix)	609	124	(69)	(74)	590
<b>Total unrestricted funds</b>	<b>609</b>	<b>124</b>	<b>(69)</b>	<b>(74)</b>	<b>590</b>
<b>Total funds</b>	<b>6,857</b>	<b>7,281</b>	<b>(13,341)</b>	<b>572</b>	<b>1,369</b>

Notes

- i) GAG must be used for the normal running costs of the St Ralph Sherwin Catholic Multi Academy Trust. Under the funding agreement with the Secretary of State, the St Ralph Sherwin Catholic Multi Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2018 (see note 2).
- ii) Start up grant has been used to acquire stocks of teaching and learning materials and to support the start up costs of various academies.
- iii) Pupil premium grant has been used to support children from low income families placed in the MAT.
- iv) School funds are contributions received from parents which are used to support the MAT's activities.
- v) Special needs grant has been used to support enhanced learning for children with special educational needs.
- vi) Other LA grants, other DfE/ESFA grants and Other restricted funds have been used for direct expenditure for the purposes that the grant was awarded.
- vii) Restricted fixed asset additions were funded by DfE/ESFA grants, donations from DCC, donations from BVM English Province, donations from NRCD and transfers from restricted funds.
- viii) The pension reserve represents the deficit on the LGPS (see note 26).
- ix) Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the Trustees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 As Restated £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	61	5,421	(5,304)	39	217
Start up grant (note ii)	21	-	(21)	-	-
Pupil premium grant (note iii)	57	263	(320)	-	-
School fund (note iv)	158	16	(8)	(3)	163
Special needs grant - LA (note v)	-	215	(215)	-	-
Other LA grants (note vi)	-	25	(25)	-	-
Other DfE/ESFA (note vi)	-	235	(151)	-	84
Other restricted (note vi)	-	3	(3)	-	-
<b>Total general funds</b>	<b>297</b>	<b>6,178</b>	<b>(6,047)</b>	<b>36</b>	<b>464</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	71	13	(20)	-	64
Fixed assets donat'n - DCC (note vii)	98	15	(23)	-	90
Fixed assets donation - NRCD (note vii)	6,545	-	(17)	-	6,528
Fixed assets donation - BVM English Province (note vii)	-	2,155	(90)	-	2,065
Capital expenditure from GAG (note vii)	66	-	(14)	5	57
<b>Total fixed asset funds</b>	<b>6,780</b>	<b>2,183</b>	<b>(164)</b>	<b>5</b>	<b>8,804</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note viii)	(2,964)	(233)	(335)	512	(3,020)
	<b>(2,964)</b>	<b>(233)</b>	<b>(335)</b>	<b>512</b>	<b>(3,020)</b>
<b>Total restricted funds</b>	<b>4,113</b>	<b>8,128</b>	<b>(6,546)</b>	<b>553</b>	<b>6,248</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note ix)	579	159	(88)	(41)	609
<b>Total unrestricted funds</b>	<b>579</b>	<b>159</b>	<b>(88)</b>	<b>(41)</b>	<b>609</b>
<b>Total funds</b>	<b>4,692</b>	<b>8,287</b>	<b>(6,634)</b>	<b>512</b>	<b>6,857</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

A current year 12 month and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 As Restated £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	61	11,057	(11,031)	102	189
Start up grant (note ii)	21	-	(21)	-	-
Pupil premium grant (note iii)	57	533	(590)	-	-
School fund (note iv)	158	19	7	-	184
Special needs grant - LA (note v)	-	476	(476)	-	-
Other LA grants (note vi)	-	28	(28)	-	-
Other DfE/ESFA (note vi)	-	1,067	(695)	-	372
Other restricted (note vi)	-	45	(45)	-	-
<b>Total general funds</b>	<b>297</b>	<b>13,225</b>	<b>(12,879)</b>	<b>102</b>	<b>745</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	71	20	(37)	-	54
Fixed assets donation - DCC (note vii)	98	15	(42)	-	71
Fixed assets donation - NRCD (note vii)	6,545	50	(5,904)	-	691
Fixed assets donation - BVM English Province	-	2,155	(202)	-	1,953
Capital expenditure from GAG (note vii)	66	-	(28)	13	51
Condition Improvement Fund	-	17	-	-	17
Devolved Formula Capital grant	-	25	(4)	-	21
Voluntary Donations	-	11	(1)	-	10
<b>Total fixed asset funds</b>	<b>6,780</b>	<b>2,293</b>	<b>(6,218)</b>	<b>13</b>	<b>2,868</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note viii)	(2,964)	(233)	(721)	1,084	(2,834)
	<b>(2,964)</b>	<b>(233)</b>	<b>(721)</b>	<b>1,084</b>	<b>(2,834)</b>
<b>Total restricted funds</b>	<b>4,113</b>	<b>15,285</b>	<b>(19,818)</b>	<b>1,199</b>	<b>779</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note ix)	579	283	(157)	(115)	590
<b>Total unrestricted funds</b>	<b>579</b>	<b>283</b>	<b>(157)</b>	<b>(115)</b>	<b>590</b>
<b>Total funds</b>	<b>4,692</b>	<b>15,568</b>	<b>(19,975)</b>	<b>1,084</b>	<b>1,369</b>

**TOTAL FUNDS ANALYSIS BY ACADEMY**

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Saint John Houghton Catholic Voluntary Academy	535	545
The Priory Catholic Voluntary Academy	36	63
English Martyrs' Catholic Voluntary Academy	346	324
St Joseph's Catholic Voluntary Academy	25	13
St Ralph Sherwin Catholic Multi Academy Trust	393	128
Total before fixed assets and pension reserve	<b>1,335</b>	<b>1,073</b>
Restricted fixed assets fund	<b>2,868</b>	<b>8,804</b>
Pension reserve	<b>(2,834)</b>	<b>(3,020)</b>
	<b>34</b>	<b>5,784</b>
<b>Total</b>	<b>1,369</b>	<b>6,857</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

**TOTAL COST ANALYSIS BY ACADEMY**

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Deprec'n) £'000	Total 2018 £'000	Total 2017 £'000
Saint John Houghton	2,542	487	205	340	3,574	3,376
The Priory	724	231	78	122	1,155	1,043
English Martyrs'	758	138	35	234	1,165	1,133
St Joseph's	550	145	38	82	815	702
St Ralph Sherwin	-	191	-	387	578	216
<b>Total</b>	<b>4,574</b>	<b>1,192</b>	<b>356</b>	<b>1,165</b>	<b>7,287</b>	<b>6,470</b>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	School Fund Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	2,843	2,843
Current assets	590	-	219	1,248	25	2,082
Current liabilities	-	-	(35)	(687)	-	(722)
Pension scheme liability	-	(2,834)	-	-	-	(2,834)
	<b>590</b>	<b>(2,834)</b>	<b>184</b>	<b>561</b>	<b>2,868</b>	<b>1,369</b>

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	School Fund Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	-	8,804	8,804
Current assets	618	-	231	781	-	1,630
Current liabilities	(3)	-	(68)	(486)	-	(557)
Pension scheme liability	-	(3,020)	-	-	-	(3,020)
	<b>615</b>	<b>(3,020)</b>	<b>163</b>	<b>295</b>	<b>8,804</b>	<b>6,857</b>

18 CAPITAL COMMITMENTS

	2018 £'000	2017 £'000
Contracted for, but not provided in the financial statements	Nil	Nil
Authorised by trustees, but not yet contracted	144	Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

19 COMMITMENTS UNDER OPERATING LEASES

*Operating leases*

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

	2018		2017	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Amounts due within one year	45	16	-	20
Amounts due between one and five years	179	-	-	16
Amounts due more than five years	646	-	-	-
	<b>870</b>	<b>16</b>	<b>-</b>	<b>36</b>

20 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(6,060)	1,653
Adjusted for:		
Depreciation (note 13)	183	164
Impairment (note 13)	5,871	-
Fixed asset donations	-	(2,170)
LGPS pension deficit transfer	-	233
Capital grants from DfE and other capital income	(110)	(13)
Interest receivable	(1)	(3)
Defined benefit pension scheme cost less contributions payable (note 26)	308	267
Defined benefit pension scheme finance cost (note 26)	78	68
Increase in debtors	(200)	(24)
Increase/(decrease) in creditors	133	(19)
<b>Net cash provided by operating activities</b>	<b>202</b>	<b>156</b>

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2018 £'000	2017 £'000
Interest received	1	3
Purchase of tangible fixed assets	(93)	(18)
Capital grants from DfE/EFA	49	13
Capital funding received from sponsors and others	61	-
<b>Net cash provided by/(used in) investing activities</b>	<b>18</b>	<b>(2)</b>

22 CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2018 £'000	At 31 Aug 2017 £'000
Cash in hand and at bank	1,655	1,435
<b>Total cash and cash equivalents</b>	<b>1,655</b>	<b>1,435</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**

**24 CONTINGENT LIABILITIES**

During the period of the funding agreement between the St Ralph Sherwin Catholic Multi Academy Trust and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the St Ralph Sherwin Catholic Multi Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the St Ralph Sherwin Catholic Multi Academy Trust serving notice, the St Ralph Sherwin Catholic Multi Academy Trust is obliged to repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the St Ralph Sherwin Catholic Multi Academy Trust's sites and premises and other assets held for the purpose of the St Ralph Sherwin Catholic Multi Academy Trust; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

**25 MEMBERS' LIABILITY**

Each member of the St Ralph Sherwin Catholic Multi Academy Trust undertakes to contribute to its assets 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.

**26 PENSION AND SIMILAR OBLIGATIONS**

The St Ralph Sherwin Catholic Multi Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Derbyshire County Council Pension Fund and Nottinghamshire County Council Pension Fund. Both are defined multi employer benefit schemes.

As described in note 26 the LGPS obligation relates to the employees of the St Ralph Sherwin Catholic Multi Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi academy trust at the balance sheet date.

The total pension cost to the St Ralph Sherwin Academy Trust during the year ended 31 August 2018 was £1,063,000 (2017: £987,000) of which £407,000 (2017: £413,000) relates to the TPS and £656,000 (2017: £574,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £72,137 (2017: £79,985) were payable to the scheme at 31 August 2018 and are included within other creditors.

**Teachers' Pension Scheme**

**Introduction**

The 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

**Valuation of the Teachers' Pension Scheme**

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

The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers costs paid to TPS in the period amounted to £407,000 (2017: £413,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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 the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2018 was £742,000 (2017: £653,000) of which employers contributions totaled £656,000 (2017: £574,000) and employees contributions totalled £86,000 (2017: £79,000). The agreed contributions for future years is an average of 19.4% (2017: 19.4%) for employers and a minimum of 5.5% (2017: 5.5%) 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal Actuarial Assumptions**

The major assumptions used by the actuary were:

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount rate	2.8%	2.5%
Salary increases	3.1%	3.2%
Pension increase	2.4%	2.5%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2018	At 31 August 2017
	Approx	Approx
	Change to Employers	Change to Employers
	Liability	Liability
	£'000	£'000
Discount rate reduced by 0.5% per annum	742	673
Salary increase rate increased by 0.5%	121	126
Pension increase rate increased by 0.5%	612	540

The mortality assumptions used were as follows:

	At 31 August 2018	At 31 August 2017
	years	years
Longevity at age 65 retiring today		
- Men	22.1	22.1
- Women	24.7	24.7
Longevity at age 65 retiring in 20 years		
- Men	24.2	24.1
- Women	26.9	26.9

St Ralph Sherwin Catholic Multi Academy Trust's share of the assets in the scheme were:

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£'000	£'000
Equity instruments	1,982	1,698
Debt instruments	530	458
Property	254	202
Cash and other	219	156
<b>Total market value of assets</b>	<u>2,985</u>	<u>2,514</u>
Present value of scheme liabilities:		
- Funded	(2,985)	(2,514)
- Unfunded	(2,834)	(3,020)
<b>Total liabilities</b>	<u>(5,819)</u>	<u>(5,534)</u>
<b>Deficit in the scheme</b>	<u>(2,834)</u>	<u>(3,020)</u>

The actual return on the scheme assets in the year was £146,000 (2017: £212,000).

Amounts recognised in the Statement of Financial Activities:

	2018	2017
	£'000	£'000
Current service cost	578	506
Interest income	(68)	(45)
Interest cost	146	113
<b>Total operating charge</b>	<u>656</u>	<u>574</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2018	2017
	£'000	£'000
<b>Changes in deficit during the year:</b>		
Balance at 1 September 2017	3,020	2,964
Balance at admission date	-	233
Movement in year:		
- Employer service cost (net of employee contributions)	578	506
- Employer contributions	(270)	(239)
- Expected return on scheme assets	(68)	(45)
- Interest cost	146	113
- Actuarial gains	(572)	(512)
<b>Deficit in the scheme at 31 August 2018</b>	<b>2,834</b>	<b>3,020</b>
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
Balance at 1 September 2017	5,534	4,613
Scheme liabilities at admission date	-	631
Current service cost	578	506
Interest cost	146	113
Contributions by scheme participants	86	79
Benefits paid	(31)	(57)
Actuarial gains	(494)	(351)
<b>Scheme liabilities at 31 August 2018</b>	<b>5,819</b>	<b>5,534</b>
<b>Changes in the fair value of the St Ralph Sherwin Catholic Multi Academy Trust's share of scheme assets:</b>		
Balance at 1 September 2017	2,514	1,649
Fair value of scheme assets at admission date	-	398
Expected return on scheme assets	68	45
Actuarial gains	78	161
Contributions by employer	270	239
Benefits paid	(31)	(57)
Contributions by scheme participants	86	79
<b>Fair value of scheme assets at 31 August 2018</b>	<b>2,985</b>	<b>2,514</b>

The estimated value of employer contributions for the year ended 31 August 2019 is £266,000 (2018: £253,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018 (cont'd)**

**27 RELATED PARTY TRANSACTIONS**

Owing to the nature of the St Ralph Sherwin Catholic Multi Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the St Ralph Sherwin Catholic Multi Academy Trust's financial regulations and normal procurement procedures.

S Walters, a Governor at The Priory, is a Director of Steve Walters Property Services Ltd. During the year, purchases of £12,493 (2017: £20,986) were made from Steve Walters Property Services Ltd. There were no amounts outstanding at 31 August 2018 (2017: £nil).

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided "at no more than cost" and Steve Walters Property Services Limited has provided a statement of assurance confirming this.

**28 CONVERSION TO AN ACADEMY TRUST**

On 1 November 2016 Saint Joseph's Catholic Voluntary Academy converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the St Ralph Sherwin Catholic Multi Academy Trust from Derbyshire County Council for nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the Statement of Financial Activities as donations transferred 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.

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Furniture and equipment and computer equipment	-	-	15	<b>15</b>
School Fund		14	-	<b>14</b>
Budget surplus on LA funds	20	-	-	<b>20</b>
LGPS pension deficit	-	(233)	-	<b>(233)</b>
<b>Net assets/(liabilities)</b>	<b>20</b>	<b>(219)</b>	<b>15</b>	<b>(184)</b>

The above net assets/(liabilities) include £34,000 that were transferred as cash.

From 1 November 2016 the academy trust continues to occupy land and buildings owned by The Trustees of the Presentation Sisters of the BVM English Province under a 20 year lease which was valued at a fair value of £2,155,000.

**29 AGENCY ARRANGEMENTS**

The academy trust collects music tuition fees from pupils on behalf of the tuition provider. At the year end an amount of £nil (2017: £8,308) is included in other creditors relating to amounts due to the tuition provider.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018 (cont'd)**

**30 PRIOR YEAR ADJUSTMENT**

Following a change to the Academies Accounts Direction 2016/17 land and buildings accounting policy, which concluded that where an Academy Trust does not have control over its land and buildings, either because of the Church's ultimate right to determine access, or because of the Church's right to consent to works, then the land and buildings would not meet the definition of an asset. As a result the prior year reserves and primary statements have been restated to reflect the material change to the land and building accounting policy, of not including land and buildings owned by the Church on the Academy Trusts balance sheet and the inclusion of land and buildings that are not owned by the Church.

The effect of the change in the land and buildings accounting policy for year ending 31 August 2017, has resulted in the cost of the land and buildings and accumulated depreciation being corrected by a prior year adjustment, which has increased the fixed assets reserve by £6,173,000 and the net book value of land and buildings by the same amount.

**31 EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 1 September 2018 the assets and liabilities of the following academies have been transferred into the academy trust:

**Academy**

St Joseph's Catholic Primary School  
St. George's Catholic Voluntary Academy  
St Benedict Catholic Voluntary Academy  
St Thomas Catholic Primary School  
St Alban's Catholic Primary School  
St Mary's Catholic Primary School, Derby  
Christ the King Catholic Primary School  
St Elizabeth's Catholic Primary School  
Holy Rosary Roman Catholic Primary School  
Blessed Robert Sutton Catholic Sports College  
St John Fisher Catholic Voluntary Academy  
St Edward's Catholic Primary School  
St Anne's Catholic Primary School  
St Margaret's Catholic Primary School  
All Saints' Catholic Primary School  
St Mary's Catholic Primary School, Glossop  
St Charles' Catholic Primary School  
S Mary's Catholic Primary School, New Mills  
St Thomas More Catholic School  
St Mary's Catholic Primary School, Marple Bridge  
St Philip Howard Catholic Voluntary Academy