

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Diocese of Middlesbrough	Bishop T P Draine
- Diocese of Middlesbrough	J C Fleming

Trustees

P A Fearnley ((Chair) Non-Foundation)
V Nolan (Foundation) (Resigned 1 October 2017)
M Hall (Foundation) (Resigned 30 September 2017)
C Cuthill (Foundation)
P Graham (Head) (Resigned 30 September 2017)
M Chorlton (Foundation)
M Davidson (Foundation)
A Ward (Foundation)
Father N Wynn (Foundation) (Resigned 31 August 2018)
L Dyas (Non-Foundation)
S Hulme (Non-Foundation) (Resigned 30 September 2017)
Father P Dowling (Foundation)
Father W Massie (Foundation)
T Davison (Non-Foundation) (Appointed 30 September 2017)

Executive leadership team/senior management team

- Chief Executive Officer (Accounting Officer)	G Fitzpatrick
- Chief Operating Officer Primary	K Siedle
- Chief Operating Officer Secondary	D Walmsley
- Deputy Head Secondary	D Perry
- Executive Head of Primary	M Ryan
- Chief Financial Officer	S Teasdale

Company registration number 09023802 (England and Wales)

Principal and registered office St Mary's College
Cranbrook Avenue
Hull
HU6 7TN

Academies operated	Location	Principal
Endsleigh Holy Child Voluntary Catholic Academy	Hull	L Windeler
St Mary Queen of Martyrs Voluntary Catholic Academy	Hull	A McIntosh
St Richard's Voluntary Catholic Academy	Hull	C Coldham
St Vincent's Voluntary Catholic Academy	Hull	P Assogna
St Charles' Voluntary Catholic Academy	Hull	A McGrath
St Anthony's Voluntary Catholic Academy	Hull	N Curran
St Thomas More Voluntary Catholic Academy	Hull	J Eley
St Mary's College Voluntary Catholic Academy	Hull	G Fitzpatrick

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor RSM UK Audit LLP
1st Floor
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Bankers Lloyds Bank
Hull City Centre Branch
Grand Buildings
Jameson Street
Hull
HU1 3JX

Solicitors Rollits LLP
Citadel House
58 High Street
Hull
HU1 1QE

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable group for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

During the year St Cuthbert's Roman Catholic Academy Trust (SCRCAT) has grown to include a number of additional converter academies. The Trust now operates 7 primary academies and 1 secondary academy in Hull for pupils aged 3 to 19 serving a catchment area in the East Riding of Yorkshire. St Mary's College (SMC), St Anthony's Voluntary Catholic Academy, St Thomas More Voluntary Catholic Academy and St Charles' Voluntary Catholic Academy all joined the Trust on 1 October 2017. Its academies have a combined pupil capacity of 3,330 and had a roll of 3,922 in the school census on 5 October 2018.

During the year the Academy Trust acquired a controlled entity St Mary's College Sports Development Company, a registered charity that provides a gym, dance studio, sports hall and various fitness classes to the community and young people in the local area. This was connected to St Mary's College which joined the Trust during the year.

St Cuthbert's Roman Catholic Academy Trust is for pupils aged 3 to 19, in the Diocese of Middlesbrough. The Academy Trust is the Admissions Authority and is responsible for determining the Admission Arrangements, Admissions and administering Independent Appeals. The ethos of St Cuthbert's is built on the traditions of the Roman Catholic Church. All parents applying for a place are asked to respect the ethos and its importance to the Academy Trust community. Applications must be made on the Local Authority Common Application Form. All forms must be returned by the closing date set by the Local Authority. Any applications received after the closing date will be accepted but considered only after those received by the closing date. Where there are insufficient places available to meet all parental preferences, priority will be given to applications in line with the over subscription criteria which can be found on each school's website. The admissions over subscription criteria will be applied on an equal preference basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company operates as St Cuthbert's Roman Catholic Academy Trust.

The Trustees of St Cuthbert's Roman Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

The Academy Trust operated eight academies during the year as follows:

- St Mary Queen of Martyrs Voluntary Catholic Academy (P)
- Endsleigh Holy Child Voluntary Catholic Academy (P)
- St Vincent's Voluntary Catholic Academy (P)
- St Richard's Voluntary Catholic Academy (P)
- St Mary's College Voluntary Catholic Academy (S) as from 1 October 2017
- St Anthony's Catholic Voluntary Academy (P) as from 1 October 2017
- St Thomas More Voluntary Catholic Academy (P) as from 1 October 2017
- St Charles' Voluntary Catholic Academy (P) as from 1 October 2017

(P) = primary school

(S) = secondary school

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.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust has also purchased and maintained liability insurance for its Trustees. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Academy Trust shall have the following Directors being not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Non-foundation directors are appointed or removed by the foundation directors.

Foundation directors are appointed or removed by the Bishop and should always exceed the number of non-foundation directors by a minimum of 2.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for the new Trustees will depend on their existing experience and the Diocesan Skills Audit to ensure that all essential skills are covered by the Board and training provided as required. Where necessary induction will provide training on charity and educational legal and financial matters. All training needs will be coordinated by the professional clerking service in conjunction with accredited governor training providers and expert legal and financial partners. All new Trustees will meet with the CEO and also be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee.

As there are normally only one or two new Trustees a year, induction is tailored specifically to the individual.

Organisational structure

The Governance / Leadership of the Trust has five levels:

1. The Members
2. The Board of Trustees
3. Local Cluster Boards
4. Executive Leadership Team
5. Individual Academy Senior Leadership Teams.

The aim of this structure is to ensure that decisions are made with appropriate involvement at the right level. The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance, audit, staffing and estate. The Trust has a Finance, Assets and Audit Committee to support all obligations and responsibilities outlined in The Academies Financial Handbook.

The Trustees are responsible for shaping general policy; setting an annual budget plan aligned to the agreed Trust priorities; monitoring the Trust by use of results and budgets; capital expenditure; the Executive Leadership of the Trust and Senior Leadership appointments.

The Local Cluster Boards are sub-committee bodies to the Trust Board. They have delegated responsibilities for the Catholic Life of the School and Safeguarding.

The Executive Leadership Team comprises the Chief Executive Officer (CEO), Chief Operating Officer Secondary (COO S), Chief Operating Officer Primary (COO P), Secondary Deputy Head, Primary Executive Head and Chief Financial Officer (CFO). They are responsible for the operational aspects of running the Trust including the authorisation of spending within agreed budgets and according to delegated authorities and the appointment of staff.

The Chief Executive Officer is the Accounting Officer.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel identified within the Trust are the CEO, and COO's Secondary and Primary, Deputy Head Secondary, Executive Head of Primary and CFO. The Trust appoints a special Pay Committee to determine the pay ranges for these key positions, in line with any national guidance, level of responsibility, local context and challenge, any available benchmarking information and current market conditions for competitive recruitment. The CFO has received executive pay setting training delivered by Association of School and College Leaders in 2017, in order to support the Pay Committee.

Performance management of the CEO is undertaken by external, independent reviewers to ensure transparency and impartiality.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the Academy.

Relevant union officials

Numbers of employees who were union officials during the relevant period	FTE employee number
5	4.76

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	5
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£1,450
Total pay bill	£12,682,535
Percentage of total bill spent on facility time	0.0114%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Related parties and co-operation with other organisations

St Cuthbert's Roman Catholic Academy Trust is part of the Diocese of Middlesbrough and works closely with the Director of Education and all Catholic academies within the Diocese. The Trust continues to work with all potential feeder primary schools in the local area that are not part of the formal governance arrangement.

Trustees are drawn from the local community and the Diocese, and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Trust on a regular basis to ensure that all such transactions are in line with the Academies Financial Handbook guidelines.

The Trust has control of St Mary's College Sports Development Company which was created for the joint purpose of providing high quality sports facilities to St Mary's College and local community.

The Trust continues to work in partnership with Hull Collaborative Academies Trust (HCAT), which is not part of the formal governance arrangement, on a number of local, regional and national initiatives. This allows the Trust to develop collaborative learning strategies to support some of the most challenging schools in the city. In addition, the Trust has entered into a number of service level agreements with HCAT to provide certain specialist services.

The Trust Board and its committees meet regularly enough to discharge their responsibilities under their Articles of Association, funding agreement and the Academies Financial Handbook, to ensure robust governance and effective financial management arrangements. Board meetings take place at least three times a year and business conducted only when quorate.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any Trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

To promote for the benefit of individuals living in the areas served by the academies and the surrounding areas 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 objective of improving the condition of the life of the said individuals.

St Cuthbert's RC Academy Trust vision statement is:

"Ordinary people - working together - achieving extraordinary things".

The Trust believes that people have an unbelievable capacity to do great things and aims to provide rich and wide-ranging opportunities for people to achieve more than they ever thought possible.

Values

As a Trust, at the heart of our Christian service is to welcome and value each individual as equal, regardless of nationality, gender, race, colour, sexuality or creed. We pride ourselves on our exceptional standards of personal pastoral care, rooted in our Christian tradition and values of kindness, support, peace, justice, forgiveness and joy. Our outlook and ambition is international and inclusive.

Children are our Priority

We aim to place children at the centre of all decisions and activities, encouraging them to find excitement in their learning and to live life to the full. We do not settle for average. We aim to relentlessly focus on our core business which is to promote student's learning, welfare and achievement.

World Class

Without apology, we are committed to excellence and to build on the sustained world class successes of St Mary's College. Without excuses we find ways to help every student to feel that they are safe, belong and are successful in their learning. Teachers and support staff want to be the very best they can be.

Seamless Transition

Inclusive, our curriculum should be 3-19 understood, 3-19 planned, 3-19 relevant, 3-19 rigorous and 3-19 progressing. Our curriculum will deliver 3-19 outstanding outcomes and prepare all our young people exceptionally well for life thereafter.

Partnership

We build strong partnerships within our schools and with organisations that share our commitment to world class standards. Learning with and from others of good will, we will aim to always improve, to give our very best and expect it from others. Alongside others, we serve the common good and actively support system reform so that all children might thrive.

"In every here and now we are ready to express our hope"

Objectives, Strategies and Activities

The Trust has four main strategic aims for each of its academies as listed below:

Strategic Aim 1: Outcomes

All academies are enabled to reach good or better outcomes.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives and activities (continued)

Key Areas:

- a. To improve standards in Reading, Writing and Mathematics so that year on year more pupils achieve and exceed age related expectations, and progress exceeds that made by pupils with similar starting points (Primary Specific)
- b. To secure high quality teaching and learning of a rich and broad curriculum in each academy
- c. To ensure that groups at risk of underachieving make good or better progress as required
- d. To strengthen the Catholic ethos/distinctiveness of our academies.

Strategic Aim 2: Academy Improvement

To establish a self-sustaining, system led, collaborative approach to improvement that enables rapid improvement where required.

Key Areas:

- a. To secure an accurate and robust self-evaluation process.
- b. To develop school to school support in line with the Trust Self Evaluation process.
- c. To build further links with Teaching Schools and training providers.

Strategic Aim 3: Leadership

To ensure high quality leadership and governance at Trust Board, local clusters and academy level.

Key Areas:

- a. To develop a fully functioning, high level Trust Board that represents the full range of skills required.
- b. To embed high quality governance at the local level, focussed clearly on raising standards.
- c. To empower leaders to lead the improvement journey within and beyond their academies, holding professionals to account for their outcomes.

Strategic Aim 4: Business

To provide high quality financial direction and leadership of the Trust to achieve financial stability, explore growth opportunities and develop revenue streams.

Key Areas:

- a. To deliver financial stability through the 3-year financial plan.
- b. To maintain measured and systematic growth in recruitment.
- c. To deliver high quality central services to the Trust and other education partners.

Public benefit

The Trust provides educational services to children attending its academies. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The primary purpose of St Cuthbert's Roman Catholic Academy Trust is the advancement of education within Catholic schools in Hull. To this end, it now runs eight Academy schools aspiring towards the highest possible standards for 3,922 students aged 3-19. The public good is inextricably linked to this purpose through the provision of educational activities and extracurricular activities to the local communities served. The Academy Trust aims to maximise each student's potential and to develop principled, informed, open-minded and confident citizens who respect the beliefs of others and who make a positive contribution to society.

In addition, the Trust's leadership make a regular and significant contribution to the shaping and implementation of key local, regional and national educational strategies such as SEND, Secondary School Improvement and High Quality and Inclusive PE.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Original Trust formed: 2 May 2014 (St Mary Queen of Martyrs', Endsleigh & St Vincent's)

St Richard's joined: 1 January 2015

Date of Trust expansion to current model: 1 October 2017

St Cuthbert's Multi Academy Trust (MAT) was established in 2014, initially consisting of three primary schools. St Vincent's had been placed in Special Measures and the Diocese sought to form a Trust to support the school from within its family of schools. Endsleigh and St Mary Queen of Martyrs joined the Trust as sponsors of St Vincent's. St Richard's joined the Trust one year later.

The governors of St Mary's College and the three other primaries opted not to join the Trust at this stage.

Following significant issues in relation to the finances and standards within the Trust, in the spring of 2016 the Diocese approached St Mary's College (SMC) to seek support for the Trust and to offer new terms and conditions for the governance, leadership and management of the organisation based on long established successful practice at SMC which had been judged outstanding by Ofsted in 2010 and had since been consistently ranked in the top 100 schools in the UK by the DFE.

Interim management arrangements for the Trust were established from September 2016. A new leadership team have instigated a complete overhaul of school leadership, governance and business management. All seven primary schools have new heads and leadership teams. Subject Leaders in Education (SLE) and school improvement team colleagues are deployed as appropriate. Further recruitment to these roles is imminent.

An expanded Trust was officially formed with effect from 1 October 2017.

four schools were inspected by Ofsted in 2017. Three were judged good and one requires improvement.

Centralised services in relation to finance, HR, IT and estate are firmly established and have seen major improvements to service quality, financial control and viability.

SMC was awarded Teaching School status in September 2017 and a World Class Schools Quality Mark in December 2017. It has operated successfully for seven years in a variety of National Support School activities in the area.

The immediate focus was to establish in all primary schools an understanding of and a commitment to a collective vision which puts children first, adopts a 'no excuses' culture in relation to pupil outcomes and relentlessly promotes high quality teaching.

St Mary's College has had executive leadership over another secondary school, The Marvell College, since 2013, which is making significant progress.

Presently no further expansion is planned as all Hull Catholic Schools are now included in the Trust. However, there may be some opportunity for growth in the East Riding in the future.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key Performance Indicators Overview of Cohort Demographic

Academy	Roll	Male		PP		EAL		SEN			
	#	#	%	#	%	#	%	# E	% E	# K	% K
St Mary's	2,013	994	49.4 %	386	19.2%	576	28.6 %	48	2.4%	292	14.5 %
Endsleigh Holy Child	315	170	53.9 %	33	10.5%	55	17.5 %	6	1.9%	35	11.1 %
St Anthony's	226	122	54.0 %	77	34.0%	94	41.6 %	32	14.0 %	7	3.0%
St Charles'	221	113	51.0 %	31	14.0%	161	73.0 %	0	0.0%	42	19.0 %
St Mary Queen of Martyrs'	338	160	47.3 %	85	25.0%	24	7.0%	3	1.0%	34	10.0 %
St Richard's	395	221	56.0 %	130	33.0%	95	24.0 %	4	1.0%	71	17.9 %
St Thomas More	183	82	45.0 %	55	30.0%	49	27.0 %	2	1.0%	18	10.0 %
St Vincent's	200	93	46.5 %	22	11.0%	111	55.5 %	4	2.0%	43	21.5 %
St Cuthbert's	3,922	1955	50.3 %	819	21.1%	1165	29.9 %	99	2.5%	541	13.9 %

Inspection summary / Performance trajectory rating

Academy	Last Inspection Date	Outcome	Trajectory rating	Notes
St Mary's	June 2010	Outstanding	Sustained	Newly converted Academy
Endsleigh Holy Child	April 2017	Good	Improving	
St Anthony's	July 2016	Good	Stabilise	Newly converted Academy
St Charles'	February 2015	Requiring Improvement	Stabilise	Newly converted Academy
St Mary Queen of Martyrs'	April 2017	Good	Repair	
St Richard's	November 2017	Requiring Improvement	Repair	
St Thomas More	June 2015	Good	Improving	Following federation - SMC Newly converted Academy
St Vincent's	May 2017	Good	Improving	

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Primary Performance Summary

- Trust expanded on 1 October 2017, after the 2016/17 outcomes were published.
- Significant variation in headline performance across the Trust.
- At the end of Key Stage 1:
 - Overall Trust attainment for age related expectation (ARE) in Reading, Writing and Maths are close to national average (including at all prior attainment bands from Early Years Foundation Stage (EYFS)).
- At the end of Key Stage 2:
 - Overall Trust attainment for ARE is strongest in Maths (including relative to the national). This is also the most consistent discipline in terms of attainment at ARE across schools.
 - Overall Trust progress is below national in all disciplines although more than half of schools have a positive value in Reading and Maths.
 - There is a wide range in progress values across the Trust (6 in Reading / 4.9 in Writing / 3.7 in Maths) with overall strongest performance at Endsleigh Holy Child and weakest performance at St Richard's.
 - Performance of disadvantaged students overall is below that of their peers although there is significant variation between schools and across disciplines within schools.
 - Disadvantaged students across the Trust performed significantly below national average at ARE and at greater depth (GD) for combined attainment in Reading, Writing and Maths.

Key stage 1 outcomes 2017/18

Phonics Y1 screening

Primary Academy	Cohort total	Number of pupils who passed	Percentage
St Thomas More	26	24	93
St Vincent's	26	22	85
St Anthony's	29	24	83
St Mary Queen of Martyrs'	41	34	83
Endsleigh Holy Child	46	35	76
St Richard's	57	42	74
St Charles'	30	23	73
St Cuthbert's	255	204	80
National			82

Key stage 1 Attainment

Reading

Primary Academy	Cohort total	Number of pupils at ARE+	Percentage
Endsleigh Holy Child	42	32	76
St Thomas More	15	11	73
St Mary Queen of Martyrs'	40	28	70
St Anthony's	31	21	68
St Richard's	49	32	65
St Vincent's	27	17	63
St Charles'	30	17	57
St Cuthbert's	234	155	67
National			75

Primary Academy	Cohort total	Number of pupils at greater depth	Percentage
St Anthony's	31	8	26
Endsleigh Holy Child	42	10	24
St Vincent's	27	6	22
St Mary Queen of Martyrs'	40	8	20
St Charles'	30	6	20
St Thomas More	15	3	20
St Richard's	49	4	8
St Cuthbert's	234	45	19
National			26

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Writing

Primary Academy	Cohort total	Number of pupils at ARE+	Percentage
St Anthony's	31	21	68
Endsleigh Holy Child	42	28	67
St Thomas More	15	10	67
St Mary Queen of Martyrs'	40	26	65
St Richard's	49	29	59
St Vincent's	27	16	59
St Charles'	30	16	53
St Cuthbert's	234	145	60
National			70

Primary Academy	Cohort total	Number of pupils at greater depth	Percentage
St Thomas More	15	3	20
Endsleigh Holy Child	42	8	19
St Vincent's	27	4	15
St Mary Queen of Martyrs'	40	5	13
St Anthony's	31	3	10
St Charles'	30	3	10
St Richard's	49	3	6
St Cuthbert's	234	29	13
National			16

Mathematics

Primary Academy	Cohort total	Number of pupils at ARE+	Percentage
St Anthony's	31	26	84
Endsleigh Holy Child	42	34	81
St Mary Queen of Martyrs'	40	30	75
St Vincent's	27	20	74
St Thomas More	15	11	73
St Charles'	30	20	67
St Richard's	49	33	67
St Cuthbert's	234	173	74
National			76

Primary Academy	Cohort total	Number of pupils at greater depth	Percentage
Endsleigh Holy Child	42	11	26
St Charles'	30	7	23
St Anthony's	31	4	19
St Mary Queen of Martyrs'	40	7	18
St Thomas More	15	2	13
St Vincent's	27	3	11
St Richard's	49	2	4
St Cuthbert's (Post expansion)	234	35	16
National			22

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Combined

Primary Academy	Cohort total	Number of pupils at ARE+	Percentage
Endsleigh Holy Child	42	28	67
St Thomas More	15	10	67
St Anthony's	31	20	65
St Mary Queen of Martyrs'	40	24	60
St Richard's	49	29	59
St Vincent's	27	15	56
St Charles'	30	14	47
St Cuthbert's	234	140	58
National (2017)			75

KS2 2017/2018 Comparison Expected (Ranked by Reading)

Primary Academy	Reading		Writing		Maths		Combined	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
St Thomas More RC	80	92.6	76	81.5	76	81.5	56	77.8
St Vincent's	59	86.7	53	63.3	72	76.7	44	63.3
St Mary Queen of Martyrs	63	78.6	73	76.2	73	83.3	49	73.8
Endsleigh Holy Child	90	78.6	80	73.8	78	66.7	75	61.9
St Richard's	55	55.8	61	61.5	68	55.8	43	44.2
St Anthony's	57	51.6	70	61.3	67	54.8	57	45.2
St Charles'	67	43.3	63	53.3	80	40	63	26.7
SCRCAT	67	68.9	68	67.3	73	65.4	55	55.9
National	71	75	74	78	75	76	61	64

Expected (Ranked by Writing)

Primary Academy	Reading		Writing		Maths		Combined	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
St Thomas More RC	80	92.6	76	81.5	76	81.5	56	77.8
St Mary Queen of Martyrs	63	78.6	73	76.2	73	83.3	49	73.8
Endsleigh Holy Child	90	78.6	80	73.8	78	66.7	75	61.9
St Vincent's	59	86.7	53	63.3	72	76.7	44	63.3
St Richard's	55	55.8	61	61.5	68	55.8	43	44.2
St Anthony's	57	51.6	70	61.3	67	54.8	57	45.2
St Charles'	67	43.3	63	53.3	80	40	63	26.7
SCRCAT	67	68.9	68	67.3	73	65.4	55	55.9
National	71	75	74	78	75	76	61	64

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

KS2 2017/2018 Comparison Expected (Ranked by Maths)

Primary Academy	Reading		Writing		Maths		Combined	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
St Mary Queen of Martyrs	63	78.6	73	76.2	73	83.3	49	73.8
St Thomas More	80	92.6	76	81.5	76	81.5	56	77.8
St Vincent's	59	86.7	53	63.3	72	76.7	44	63.3
Endsleigh Holy Child	90	78.6	80	73.8	78	66.7	75	61.9
St Richard's	55	55.8	61	61.5	68	55.8	43	44.2
St Anthony's	57	51.6	70	61.3	67	54.8	57	45.2
St Charles'	67	43.3	63	53.3	80	40	63	26.7
SCRCAT	67	68.9	68	67.3	73	65.4	55	55.9
National	71	75	74	78	75	76	61	64

Expected (Ranked by Combined)

Primary Academy	Reading		Writing		Maths		Combined	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
St Thomas More	80	92.6	76	81.5	76	81.5	56	77.8
St Mary Queen of Martyrs	63	78.6	73	76.2	73	83.3	49	73.8
St Vincent's	59	86.7	53	63.3	72	76.7	44	63.3
Endsleigh Holy Child	90	78.6	80	73.8	78	66.7	75	61.9
St Anthony's	57	51.6	70	61.3	67	54.8	57	45.2
St Richard's	55	55.8	61	61.5	68	55.8	43	44.2
St Charles'	67	43.3	63	53.3	80	40	63	26.7
SCRCAT	67	68.9	68	67.3	73	65.4	55	55.9
National	71	75	74	78	75	76	61	64

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key Stage 2 Progress 2017/18
2017/2018 Comparison

Primary Academy	Reading		Writing		Maths	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
Endsleigh Holy Child V.C Academy	3.2	-0.8	2.3	-1.4	0.7	-1.7
St Anthony's Catholic Primary School	-1.6	-3.6	1.2	-3.7	0.1	-2.0
St Charles' V.C Academy	0.8	-2.6	-2.6	-1.8	0.3	-3.6
St Mary Queen of Martyrs V.C Academy	-2.4	1.5	-1.6	-1.0	-1.4	0.2
St Richard's V.C Academy	-2.9	-1.7	-2.5	-0.3	-1.5	-1.4
St Thomas More RC Primary School	0.5	3.6	-0.3	1.0	-1.7	1.4
St Vincent's V.C Academy	0.5	1.9	-1.7	-1.8	2.0	0.4
St Cuthbert's Roman Catholic Academy Trust	-0.6	-0.2	-0.9	-1.3	-0.4	-1.0
National	0	0	0	0	0	0

Secondary Performance Summary

Executive Summary:

- Maintained Progress 8 Score despite significant changes to qualifications eligible for inclusion within this key headline measure.
- Level of consistency in performance is a key strength at Key Stage 4.
- Anticipate remaining in the top 2% of comparable schools nationally for student progress KS4.
- Attainment across cohorts is significantly above local and national averages.
- Disadvantaged students make progress that is well above 'other students' nationally.
- Some internal variation in performance between cohorts although each individually performs well relative to national comparisons.
- Number 1 ranked local state funded provider post 16.
- Increased numbers post 16 continue four year trend

A-Level Performance System (ALPS) - Indicators

For academic qualifications:

- Overall Quality Indicator places SMC in top 12% of providers

For general and applied qualifications:

- Overall Value Added Score places SMC in top 8% of providers

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Trust Development Meeting:
Secondary Performance Summary KS4

4.1 Year 11 School Leavers: Cohort Summary

Group	% of cohort				Comments
	Nat 17	SM 16	SM 17	SM 18	
Male	50	52.0	53.7	53.8	Gender - higher % males 4 th year in succession.
Female	50	48.0	46.3	46.2	
FSM	28	17.4	26.0	25.1	Broadly consistent with nat. Deprivation top
EAL	16	24.2	24.4	27.9	Increasingly above national.
K	10.7	10.7	14.6	16.4	Above national proportions of students with special educational needs.
EHC or S	1.7	3.6	3.7	2.0	

Group	% by prior attainment band			This year group had a negative prior attainment when compared with the national (-0.7 KS2 APS)
	LA	MA	HA	
SMC	15	43	42	
National	13	45	42	

4.2 Headline Trends Summary

Headlines	Nat 2017 Good/ Strong	SMC 2016 (Legacy)	SMC 2017		SMC 2018		Comments
			Standard / Strong		Standard / Strong		
Attainment 8	46.02	55.93	53.53		54.15		Significantly above national even though PA is below
Progress 8	0	0.59	0.86		0.86		Continues to place SMC with the top comparable schools nationally (estimate top 2%).
E & M (Basics)	63% / 42%	81%	70%	51%	75%	52%	Both 'Standard Pass' and 'Strong Pass' outcomes well above national.
EBacc	24% / 21%	41%	38%	34%	51%	33%	Sustained % despite transition to 4+/5+ E&M; significant above national.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Trust Development Meeting:

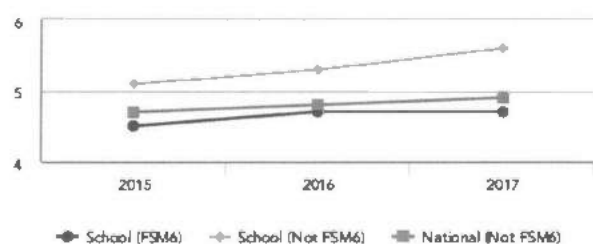
Secondary Performance Summary KS5

Year 13 School Leavers Cohort Summary

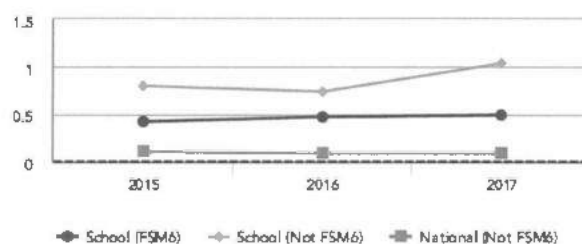
A-Level

	2014/15	2015/16	2016/17	2017/18
A level student numbers (2 or more entries)	63	102	124	112
% Students (≥ 2 A levels) on mixed study programmes	19.0%	17.6%	27.4%	9.8%
Total exam entries (excluding general studies)	183	296	337	313
6.4 - 8.0 student numbers %	31.7%	33.3%	35.5%	41.1%
5.5 - < 6.4 student numbers %	49.2%	42.2%	32.3%	37.5%
0.0 - < 5.5 student numbers %	19.0%	24.5%	32.3%	21.4%
Average GCSE score	6.09	6.05	5.99	6.15
Average QCA score	46.57	46.27	45.96	46.91

Attainment: Attainment 8 (Overall)



Progress: Progress 8 (Overall)



ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Post 16 Threshold Headlines – Trends

Headline	Points (expressed as a grade)			
	2015 (Shadow)	2016	2017	2018
Points per A-Level Entry	30.17	31.67 (C)	33.47 (C+)	35.10 (B-)
Points per Academic Entry	30.36	31.86 (C)	33.56 (C+)	35.09 (B-)
Points per Applied General Entry	38.05	36.08 (Dist)	38.96 (Dist+)	* 32.24 (Dist-)
Points per Tech Level Entry	38.23	38.89 (Dist)	42.04 (Dist*-)	* 40.00 (Dist+)

* These values reflect a change to accountability structure and reduction in current courses contributing to the measures. There will be a transition period at the end of which all vocational programmes will be reflected.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Headline Post 16 Performance Summary including disadvantaged (dis)

KS5 Headline Measures	All 2017	All 2018	Dis 2017	Dis 2018
A level cohort and results				
Number of students at the end of 16-18 study with an A level exam entry (for average grade measure)	190	178	31	36
Average point score per A level entry expressed as a grade	C+	B-	C	C
Average point score per A level entry	33.47	35.10	30.43	30.20
A level – Level 3 Value Added				
A level value added score	0.25	0.24	0.24	0.22
Lower confidence limit	0.16	0.14	-0.01	-0.02
Upper confidence limit	0.34	0.34	0.49	0.46
Number of A level entries (for value added measure)	558	429	81	86
Academic cohort and results				
Number of students at the end of 16-18 study with an academic exam entry (for average grade measure)	190	178	31	36
Average point score per academic entry expressed as an A level grade	C+	B-	C	C
Average point score per academic entry	33.56	35.09	30.50	30.16
Academic – Level 3 Value Added				
Academic value added score	0.22	0.24	0.23	0.21
Lower confidence limit	0.13	0.13	-0.02	-0.03
Upper confidence limit	0.31	0.34	0.47	0.45
Number of academic entries (for value added measure)	624	431	90	87
Applied general cohort and results *				
Number of students at the end of 16-18 study with an applied general exam entry (for average grade measure)	80	68	21	11
Avg point score per applied general entry expressed as a vocational grade	Dist+	Dist-	Dist+	Merit+
Avg point score per applied general entry	38.96	32.24	37.33	27.67
Applied general – Level 3 Value Added *				
Applied general value added score	0.14	0.04	0.08	-0.21
Lower confidence limit	-0.11	-0.17	-0.43	0.35
Upper confidence limit	0.39	0.25	0.58	-0.77
Number of applied general entries (for value added measure)	85	70	24	11
Tech level cohort and results *				
Number of students at the end of 16-18 study with a tech level exam entry (for average grade measure)	26	15	11	4
Average point score per tech level entry expressed as a vocational grade	Dist*-	Dist+	Dist+	Dist+
Average point score per tech level entry	42.04	40.00	38.48	37.50
English and maths progress measure				
No. of students at end of 16-18 study in scope for English progress measure	38	39	9	8
Average progress made in English	0.74	0.95	0.56	0.71
No. of students at end of 16-18 study in scope for maths progress measure	42	51	16	12
Average progress made in maths	-0.19	0.54	-0.28	0.08
Level 2 vocational cohort				
Number of students at the end of 16-18 study with a level 2 vocational exam entry (for avg.=. grade measure)	20	12	5	4
Avg point score per level 2 vocational entry expressed as a vocational grade	L2Merit	L2Merit+	L2Merit-	L2Merit
Avg point score per level 2 vocational entry	5.67	6.35	5.57	6.14

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA are shown in the Statement of Financial Activities for the year ended 31 August 2018. Additional income sources included Local Authority receipts for the high needs block and early year's provision. The total incoming resources for the period amounted to £43,088,993. Prior to the transfer of schools income was £20,151,261 (2017: £5,853,995). The income generated from the schools that joined the Trust in the year was £13,896,208.

Academies also receive grants for their major assets from the ESFA in accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities (SOFA) as Restricted Income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The total capital grants received in the year was £116,001 (2017: £74,973).

During the financial period the Trust was unable to access capital condition funding due to the late conversion of the Trust by 1 month, resulting from delays between Hull City Council and East Riding of Yorkshire Council in respect of land transfer agreements. The Trust submitted two emergency funding applications for critical heating and hot water repairs and replacement work, which were not successful, despite one of the schools having to close for 3 days because of a failure in the heating system. The Trust has had to use a significant amount of reserves in order to get this work completed and this is reflected in the net movement of funds and is contributed to the Trust not meeting its financial targets during this reporting period. The total amount spent in the year was £300,000. The ESFA have confirmed that the Trust will be eligible for capital funding during the next funding period via CIF or SCA funding mechanisms and the Trust is ready to activate its capital condition programme as soon as this is confirmed.

The Trust has enhanced its central team function by increasing resources in the following functions; HR, Safeguarding, Finance, Estate Management and School Improvement (particularly Primary Leadership). The Trust's planned rapid improvement for underperforming academies has required significant investment. As a consequence of the unplanned capital investment and school improvement investment, the Trust fell short of its target approved by Directors earlier in the year. However, these additional costs have been offset by reserves held by the Trust.

Expenditure in the year has supported the key objectives of the Trust, with budgets being set in line with operational requirements. In the course of the year the academies have continued to refine the staffing structures required to deliver their objectives within the funding available and further opportunities exist across the primary estate to improve staffing structures further.

The Trust has also undertaken a number of procurement and service provision exercises to deliver both service improvements and efficiencies across the Trust.

During the period ending 31 August 2018 total income, excluding funds received on conversion and fixed asset fund income, was £20,035,260 (2017: £5,779,022), and total expenditure, excluding depreciation was £21,315,247 (2017: £5,980,318). The total deficit across the Trust, with income being greater than expenditure, (and excluding amounts on conversion, restricted fixed asset funds and accounting for the pension scheme actuarial valuation and charge), was £243,601 (2017: surplus: £35,704). Cash at the year end was £1,271,807 (2017: £1,036,355).

At 31 August 2018 the net book value of fixed assets was £29,223,272 (2017: £4,678,773).

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The Trust has basic financial instruments. These are bank balances, trade debtors, other debtors, accrued income, trade creditors and accruals. These arise through the normal trading activities of the Trust. The Trustees have assessed and implemented a number of systems to assess and mitigate risks that the Academy Trust faces, especially in the operational areas e.g. in relation to teaching, HR management and to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Key risks have been identified below:

- **Expansion of the Trust:** This has more than doubled the size of the Trust. Pre-emptive measures were taken, in consultation with the Diocese of Middlesbrough, to reconstitute the Trust Board to ensure the relevant skills and expertise were available, particularly in relation to the secondary school.
- **Staff recruitment & retention:** Pro-active use of the Schools Direct programmes in both primary and secondary is central to ensuring the Trust maintains high quality flow of new staff. Expansion of the Trust has created further opportunities to retain key staff and in particular nurture future Catholic leadership.
- **Student numbers:** The Trust is currently running close to capacity, with improving Ofsted ratings and local population rising the Trust is confident student numbers will be maintained.
- **Age of the estate (Legacy & Life-cycle):** CIF (capital funding) applications have had varying levels of success despite being professionally written. This is one of the key risks to the Trust because there are several high cost capital issues that require attention. However, when the Trust expanded it acquired the status of an Established Trust and will receive annual guaranteed capital funding, the amount of which has yet to be determined. This will make planning for the asset management of the Trust easier and more effective.
- **National Funding Formula:** This is deemed to be highly unlikely as the National Funding Formula delivers between 2-4% uplift in GAG funding to all Hull Catholic Schools. Hull City Council could opt for the soft NFF option for two years and this would comparatively financially disadvantage the Trust, although there will still be a net benefit.

Reserves policy

The Trustees review the reserve levels of the Academy Trust regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have reviewed the Trust's expenditure and believe a reserves level equivalent to the cost of five weeks operating costs to be adequate for the Trust's reserves. This would cover any late receipt of the funding from the ESFA.

The Group held total fund balance reserves of £24,458,443 as at 31 August 2018 (2017: £2,649,413), comprising of £23,810,617 (2017: £1,999,377) of restricted funds including a pension deficit of £4,888,000 (2017: £2,816,000) and unrestricted funds of £647,826 (2017: £650,036).

Total revenue reserves of the Group are £647,826 (2017: £650,036) as at 31 August, and this excludes the fixed asset fund of £28,698,617 (2017: £4,678,773) and the pension reserve deficit of £4,888,000 (2017: £2,816,000). The amount of free funds, being total funds less the amount held in fixed assets and restricted funds is £647,826 (2017: £650,036).

The trust is carrying a net deficit of £4,888,000 (2017: £2,816,000) on the pension reserve deficit due to future pension liabilities exceeded the current value of assets held. Over time this will be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the East Riding Pension Fund which includes an element to address the deficit position. During the year the Trust paid employer contributions of £812,000 (2017: £355,000). This has increased due to the impact of the new schools joining the trust.

The Trust's reserves have fallen below the Reserves Policy set by Directors which is five weeks of operating costs - £800,000. This is due to unplanned emergency capital expenditure of over £300,000 incurred in three schools across the primary estate for heating and boiler replacement and critical building repairs. Funds were applied for through the ESFA Emergency Condition Improvement Fund, but the applications were not approved due to the level of reserves held by the Trust. The Trust is implementing cost saving strategies to restore £300,000 back to the reserves over a two year period. The Trust are also undertaking a review of the current reserves policy.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

The Board of Trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate for the foreseeable future and maintain solvency. For this reason it continues to adopt the going concern basis in preparing financial statements. The Trust currently manages its solvency through a combination of a robust budget setting process and a regular review of the budget against actual income and expenditure for each setting. The Trust has prepared cash flow forecasts to December 2019 and financial forecasts to August 2021 to support the going concern conclusion adopted. In addition, the trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early.

Investment policy

The Trustees agree all investments made by the Academy. The Academy does not currently hold any investments outside its current account. Future investments are likely to be restricted to deposit and money market accounts in all UK banks. The Academy will seek to hold adequate cash reserves for the day to day running of the Academy Trust schools in line with the reserves policy.

Plans for future periods

The key aims and objectives set for the next reporting period are the same as those stated in this report. One of the main planned activities in terms of delivering a stable financial plan is full centralisation of the finance function. This will ensure improved sight and control of local and Trust resource plans. It will also further improve internal control procedures. The main financial challenges are the national funding picture, increased pay and pension costs, the age of the school estate and the local loss of vital SEND Disproportionality Funding.

Principal risks and uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable level 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 the Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the year 2017 – 18, and up to the date of approval of the annual report and financial statements.

Risk management:

St Cuthbert's Roman Catholic Academy Trust view risk management as an integral part of good corporate governance in order to continue to:

- Manage the maintenance of high educational standards in terms of outcomes, policy and practice.
- Demonstrate best value and
- Protect the assets and reputation of the Trust and it's academies.

Key risks:

The Trust considers that key risks are most likely to arise in the following areas:

- Sustaining and improving the delivery of high quality education to pupils attending the Trust's Academies;
- Safeguarding pupils, employees and all other persons to whom the Trust has a duty of care;
- Maintaining effective control of public funds;
- Protecting property including buildings, equipment, vehicles and all other assets and resources;
- Compliance with statutory obligations;
- Maintaining the positive reputation of the Trust and
- The age of the estate and capital investment required over the next few years set against capital grant income received through central government funding (School Condition Allocation).

Managing risk:

In order to effectively manage these risks the Trust's Board of Trustees, Audit Committee and Local Governing Bodies are accountable for overseeing the implementation of the Risk Management Policy and ensuring that management:

- Establishes clear roles, responsibilities and reporting lines for risk management;
- Provides a framework for recording and reviewing potential risks and associated actions;
- Reinforces the importance of effective risk management by offering training, good practice, and other support.

The Accounting Officer is responsible for embedding the risk management culture across the Trust that encourages the identification and management of risk

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Risks identified are recorded in the Trust's Risk Register and are graded as high, medium or low. These risks are reviewed during the period and the directors have assessed the major risks and uncertainties to which the trust is exposed.

The Academy's principal risks and uncertainties concern the future funding of education and the change to the national funding formula and funding for High Needs and the impact this will have on the Trust's finances.

Fundraising

The Trust is currently reviewing its approach to fundraising. During the reporting period the following arrangements were in place:

St Mary's College contracted an expert bid writer 1 day per week over the period of 1 term to develop and submit bids to support a variety of educational and enrichment projects across the school. This was a successful strategy which raised more in charitable donations than the cost of the bid writer's services. All donations are reported on in line with any requirements of the funding. In addition, St Mary's College invites new families to set up a regular contribution into a fund that is used to support specific types of projects as identified in the Memorandum of Understanding.

Some of the Primary Schools have active Parent Teacher Associations which follow national guidelines.

Furthermore, each Academy within the Trust has an active mission to fundraise towards internally approved projects and also approved good causes such as CAFOD or Emmaus Hull.

Employee consultation and disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Trust continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the board of Trustees and the strategic report (included therein) is approved by the board of Trustees in their capacity as the directors at a meeting on 21 December 2018 and signed on its behalf by:


P Fearnley
(Chair) Non-Foundation

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that St Cuthbert's Roman 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 principal (Chief Executive Officer), as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Cuthbert's Roman 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 and its main responsibilities are as follows:

- Admissions
- Appeals
- Finance, Audit and Capital Assets
- Human Resources Committee (including Pay)
- Student Exclusion
- Curriculum, Teaching and Learning
- Strategy
- Safeguarding
- Catholic Life of the Schools
- Complaints

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

Trustees	Meetings attended	Out of possible
P Fearnley ((Chair) Non-Foundation)	5	5
V Nolan (Foundation) (Resigned 1 October 2017)	-	-
M Hall (Foundation) (Resigned 30 September 2017)	-	-
C Cuthill (Foundation)	4	5
P Graham (Head) (Resigned 30 September 2017)	-	-
M Chorton (Foundation)	4	5
M Davidson (Foundation)	5	5
A Ward (Foundation)	4	5
Father N Wynn (Foundation) (Resigned 30 September 2018)	3	5
L Dias (Non-Foundation)	5	5
S Hulme (Non-Foundation) (Resigned 30 September 2017)	-	-
Father P Dowling (Foundation)	4	5
Father W Massie (Foundation)	4	5
T Davison (Non-Foundation) (Appointed 30 September 2017)	3	4

The composition of the Board has changed due to the new schools joining the Trust.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board is provided with regular and timely information on the overall financial performance of the Academy together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters including health and safety and environmental issues. The Board normally meets three times a year at least once each term.

The Independent Clerk to the Board maintains a register of financial and personal interests of the members of the Board. The register is available for inspection on the website.

All Board members are able to take independent professional advice in furtherance of their duties at the Trust's expense and have access to the Clerk, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

As this is the first year of this Board of Trustees the Board will be completing a self-evaluation exercise in the first term of the next reporting period that will be facilitated by the external clerking service (IPC). The Board was appointed using the Diocesan skills audit tool which ensured that all key skills for governance are covered. Particular challenges faced by the Board have been as follows:

- inherited liabilities including £200,000 from St Richard's as reported in the last set of accounts
- legacy Diocesan debt of approximately £90,000
- aging estate
- primary IT infrastructure which is no longer fit for purpose
- political fall-out of the expansion/primary leadership restructure
- setting up Trust Music Service.

Governance reviews

Governance reviews are carried out throughout the year as follows:

- An annual review of sub committees takes place. The first anniversary of the Trust was October and the first review has been completed;
- Diocese Skills Audit used at inception of the expanded Trust. An annual review was carried out November 2018 and is due to be reissued following the sign off from the Chair;
- Identified opportunities to strengthen in commercial development and health and safety;
- Training days delivered to the board by external legal and professional advisors;
- Other training provided by IPC as per annual training calendar;
- Additional audit work was agreed by Directors in November 2018. Peer to peer programme agreed with HCAT and in house monthly check schedule undertaken by CFO

The Board is chaired by a qualified chartered accountant who is able to provide strong leadership to the Board and the highly skilled Finance, Audit and Capital Assets Committee (FAA). The FAA Committee is a sub-committee of the main Board of Trustees. Its purpose includes

CAPITAL AND ASSETS

- To monitor the use of the Trust's capital funding, with due reference to the agreed selection criteria.
- To maintain oversight of premises issues, including capital investment, facilities management and community use.
- To ensure the implementation of a rolling programme of repairs and maintenance across all sites, based on identified priorities.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews (continued)

FINANCE

- To ensure the financial sustainability of the Trust.
- To consider indicative funding, notified annually by the ESFA, and to assess its implications, drawing any matters of significance or concern to the attention of the Board of Trustees.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, the financial regulations of the ESFA and the Academies Financial Handbook, drawing any matters of concern to the attention of the Board of Trustees.

AUDIT

- To advise the Board on the adequacy of internal controls and value for money systems.
- To monitor and review the effectiveness of financial procedures, controls and internal audit and, where appropriate, make recommendations for improvement. To review risks to internal financial control and agree actions to address those risks.
- To recommend to the Board the programme of independent checks on financial controls and systems.
- To receive auditors' reports and to recommend to the Board action as appropriate in response to audit findings.
- To ensure all relevant reports and management letters are responded to effectively and in a timely manner.
- To keep under review the whistleblowing policy and ensure allegations of fraud or irregularity are investigated.
- Ensure a register of business interests is maintained.
- To ensure the Trust meets the requirements of Data Protection and Freedom of Information legislation.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Fearnley ((Chair) Non-Foundation)	6	6
M Davidson (Foundation)	5	6
L Dyas (Non-Foundation)	3	4
Father P Dowling (Foundation)	5	5
T Davison (Non-Foundation) (Appointed 30 September 2017)	1	3

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer the chief executive 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- **Staffing**
 - Primary leadership restructure completed during the year.
 - Central staffing to bring expertise in house and save money/create income streams by selling on service e.g. safeguarding, HR, Estates Management,
 - School Improvement.
 - Partial centralisation of the finance function enabling some staffing savings to be made.
 - Annual curriculum review and student recruitment programme integrated to ensure that the Trust has full classes and minimise low group numbers in main curriculum qualification subject offers.
- **Procurement**
 - Improved estate management staffing has enabled the Trust to undertake much more rigorous procurement routines where contracts are due e.g. roofs across the Trust, utilities across the Trust, general building works across the Trust, supplies
 - Use of framework agreements - YPO for Educational Supplies
 - Subscription to Hull CC Procurement Services to utilise their expertise around major contracts like transport and ICT.
 - ICT Department - all hardware and software purchases assessed for best value, renegotiation of telephony contracts at SMC and St Vincent's.
- **Social Impact**
 - Add value to the regional and national offer particularly in leading the Hull Sports Active Secondary Programme providing participation and competitive opportunities for all schools across the City, the Trust are the lead regional school for Inclusion Sport.
 - The Trust is involved in a City Strategy Group working in partnership to improve the SEND offer in the City.
 - The Trust's CEO is Chair of the Sub Regional Group for Teaching Schools.
 - The Trust's sport facility "The Academy" provides competitively priced community sport and health and well being opportunities to the local community.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Cuthbert's Roman Catholic Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Finance, Audit and Capital Assets Committee (FAA) has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. A Risk Register is in place and is regularly reviewed by the FAA Committee.

The Trust contracts with an external specialist education accountancy company to provide regular financial expertise in this area and to produce high quality data and reporting for the Board of Trustees and FAA Committee.

In addition, the FAA Committee have also agreed a programme of internal financial control which will be implemented by the Chief Financial Officer of a partner Trust in the city. This will include Finance, Payroll and HR Systems.

The FAA Committee also nominated external Health and Safety experts, Stallard Kane, to undertake an annual H&S audit, including estate management compliance across all schools in the Trust. This is further strengthened by a regular, annual operational audit which is carried out by Senior Estate staff across two Trusts in the city.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by Trust Board; in line with requirements of the Academy's Financial Handbook.
- regular reviews by the FAA committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint a bought-in internal audit service provided by Southgates Education who have conducted the following checks throughout the reporting period:

- testing of payroll systems
- testing of purchase systems
- testing of income controls
- testing of banking controls

On a termly basis, the internal auditor reports to the board of Trustees and FAA on the operation of the systems of control and on the discharge of the financial responsibilities of the board of Trustees.

There were no material control or other issues reported by the internal auditor to date.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer the chief executive 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 internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of Trustees on 21 December 2018 and signed on its behalf by:



P Fearnley
(Chair) Non-Foundation



G Fitzpatrick
Accounting Officer

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Cuthbert's Roman Catholic Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



G Fitzpatrick
Accounting Officer

21 December 2018

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of St Cuthbert's Roman Catholic Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of Trustees on 27 December 2018 and signed on its behalf by:



P Fearnley
(Chair) Non-Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

Opinion

We have audited the financial statements of St Cuthbert's Roman Catholic Academy Trust (the "parent charitable company") and its subsidiary (the Group) for the year ended 31 August 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2018 and of the group's 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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 charitable company 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 groups or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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, which includes the Directors' Report and the Strategic Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report and Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the Trustees (who act as Trustees for the charitable activities of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Date 21 December 2018

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2018	Total 2017 as restated
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	4	127,600	-	116,001	243,601	122,190
Donations - transfer of schools into the trust from local authority on conversion	29	300,173	(2,159,000)	24,796,559	22,937,732	-
Charitable activities:						
- Funding for educational operations	5	-	17,808,936	-	17,808,936	5,565,710
Other trading activities	6	2,097,769	-	-	2,097,769	165,132
Investments	7	955	-	-	955	963
Total		<u>2,526,497</u>	<u>15,649,936</u>	<u>24,912,560</u>	<u>43,088,993</u>	<u>5,853,995</u>
Expenditure on:						
Raising funds		760	-	-	760	-
Charitable activities:						
- Educational operations	9	2,527,947	18,786,540	892,716	22,207,203	6,179,102
Total	8	<u>2,528,707</u>	<u>18,786,540</u>	<u>892,716</u>	<u>22,207,963</u>	<u>6,179,102</u>
Net income/(expenditure)		(2,210)	(3,136,604)	24,019,844	20,881,030	(325,107)
Transfer between funds		-	-	-	-	-
Other recognised gains/(losses)						
Re-measurement of net defined benefit obligation	27	-	928,000	-	928,000	549,000
Net movement in funds		(2,210)	(2,208,604)	24,019,844	21,809,030	223,893
Reconciliation of funds						
Total funds brought forward		650,036	(2,679,396)	4,678,773	2,649,413	2,425,520
Total funds carried forward		<u>647,826</u>	<u>(4,888,000)</u>	<u>28,698,617</u>	<u>24,458,443</u>	<u>2,649,413</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST**CONSOLIDATED BALANCE SHEET****AS AT 31 AUGUST 2018**

		2018		2017	
	Notes	£	£	as restated	£
Fixed assets					
Tangible assets	14	29,223,272		4,678,773	
Current assets					
Debtors	15	572,007		318,287	
Cash at bank and in hand		1,271,807		1,036,355	
		<u>1,843,814</u>		<u>1,354,642</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,641,522)		(568,002)	
Net current assets		<u>202,292</u>		<u>786,640</u>	
Total assets less current liabilities		<u>29,425,564</u>		<u>5,465,413</u>	
Creditors: amounts falling due after more than one year	18	(79,121)		-	
Net assets excluding pension liability		<u>29,346,443</u>		<u>5,465,413</u>	
Defined benefit pension scheme liability	27	(4,888,000)		(2,816,000)	
Total Net assets		<u>24,458,443</u>		<u>2,649,413</u>	
Funds of the Academy Trust:					
Restricted funds	20				
- Restricted fixed asset funds		28,698,617		4,678,773	
- Restricted income funds		-		136,604	
- Pension reserve		(4,888,000)		(2,816,000)	
Total restricted funds		<u>23,810,617</u>		<u>1,999,377</u>	
Unrestricted income funds	20	<u>647,826</u>		<u>650,036</u>	
Total funds		<u>24,458,443</u>		<u>2,649,413</u>	

The financial statements on pages 33 to 65 were approved by the board of Trustees and authorised for issue on 21 December 2018 and are signed on their behalf by:



P Fearnley
(Chair) Non-Foundation




G Fitzpatrick
Chief Executive Officer (Accounting Officer)


ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST**ACADEMY TRUST BALANCE SHEET****AS AT 31 AUGUST 2018**

		2018		2017	
	Notes	£	£	as restated	£
Fixed assets					
Tangible assets	14		28,482,137		4,678,773
Current assets					
Debtors	15	593,078		318,287	
Cash at bank and in hand		1,193,457		1,036,355	
		1,786,535		1,354,642	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,630,609)		(568,002)	
Net current assets			155,926		786,640
Total assets less current liabilities			28,638,063		5,465,413
Creditors: amounts falling due after more than one year	18		(79,121)		-
Net assets excluding pension liability			28,558,942		5,465,413
Defined benefit pension scheme liability	27		(4,888,000)		(2,816,000)
Total Net assets			23,670,942		2,649,413
Funds of the Academy Trust:					
Restricted funds	20				
- Restricted fixed asset funds			27,957,482		4,678,773
- Restricted income funds			-		136,604
- Pension reserve			(4,888,000)		(2,816,000)
Total restricted funds			23,069,482		1,999,377
Unrestricted income funds	20		601,460		650,036
Total funds			23,670,942		2,649,413

As permitted by s408 Companies Act 2006, the Trust has not presented its own income and expenditure and related notes as it prepares group accounts. The Trust's surplus of income and expenditure for the year was £20,093,529 (2017 – loss £325,107).

The financial statements on pages 33 to 65 were approved by the board of Trustees and authorised for issue on 21 December 2018 and are signed on their behalf by:


P Fearnley
(Chair) Non-Foundation


G Fitzpatrick
Chief Executive Officer (Accounting Officer)

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018		2017
		Group	Trust	Group and Trust
		£	£	£
Cash flows from operating activities				
Net cash provided by/(used in) operating activities	25	468,255	447,956	(412,762)
Cash funds transferred on schools joining the trust		290,897	232,846	-
		759,152	680,802	(412,762)
Investing activities				
Interest received		955	955	963
Capital grants from DfE		116,001	116,001	74,973
Purchase of tangible fixed assets		(640,656)	(640,656)	(223,281)
Proceeds from sale of fixed assets		-	-	4,800
Net cash (used in) investing activities		(523,700)	(523,700)	(142,545)
Net increase/(decrease) in cash and cash equivalents in the reporting period		235,452	157,102	(555,307)
Cash and cash equivalents at beginning of the year		1,036,355	1,036,355	1,591,662
Cash and cash equivalents at end of the year		1,271,807	1,193,457	1,036,355

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

St Cuthbert's Roman Catholic Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

The group consists of St Cuthbert's Roman Catholic Trust and its controlled entity St Mary's College Sports Development Company.

Basis of preparation

The financial statements of the Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole pound.

Basis of consolidation

The consolidated financial statements include the Trust and its subsidiary St Mary's College Sports Development Company, a registered charity (acquired on transfer of St Mary's College to the Trust on 1 October 2017) controlled by the Group. As St Mary's College joined the Trust during the year the consolidation has only taken place in the current year. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiary acquired are consolidated using the purchase method for the period from 1 September 2017 rather than 1 October 2017, as the results for the year are not materially different to these for the 11 months. The Company is consolidated as the Trust exercises control over the Company.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Prior period error

During the summer of 2018 it became apparent that there was an omission in the financial statements in the previous year for the right to the continuing use of Diocese owned land and buildings, which had an impact on leasehold land and buildings. This resulted in a prior period error, see note 3 for more details.

Going concern

The Board of Trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate for the foreseeable future and maintain solvency. For this reason it continues to adopt the going concern basis in preparing financial statements. The Trust currently manages its solvency through a combination of a robust budget setting process and a regular review of the budget against actual income and expenditure for each setting. The Trust has prepared cash flow forecasts to December 2019 and financial forecasts to August 2021 to support the going concern conclusion adopted. In addition, the Trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early. At the year end cash at bank is £1,271,807.

The Multi Academy Trust is reporting a surplus of £21,809,030 (2017: £223,893). Future income will be secured based on an annual grant from the Department for Education. Therefore the Trust financial statements have been prepared on the going concern basis.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Schools transferring in to the Trust

The conversion from a Voluntary Aided School to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Charles' Voluntary Catholic Academy, St Anthony's Voluntary Catholic School, St Thomas More Voluntary Catholic School and St Mary's College to the Academy Trust have been valued at their fair value. As a consequence of the school transferring in and St Mary's having control of the St Mary's College Sports Development Company this is included in the consolidation. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations – transfer of schools into the Trust from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

Income

All incoming resources are recognised when the 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.

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Donated goods, facilities and services

Gifts in kind, being the gift of a fixed asset, are 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.

Donated services are measured on the basis of the value of the gift to the Academy Trust.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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 to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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 that require 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.

Land and buildings owned by the Diocese of Middlesbrough are held under a licence agreement to occupy. The right to use these tangible fixed assets is recognised by the Trust as the Trust has the right to the future economic benefits reflecting the value of its continuing use of the land and buildings.

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land	Over the residual life of the lease (125 years)
Leasehold buildings	Between 10 and 50 years
Leasehold buildings improvements	4% to 10% on a straight line basis
Computer equipment	33% on a straight line basis
Fixtures, fittings and equipment	20% on a straight line basis

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Tangible fixed assets and depreciation (Continued)

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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but 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 are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

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.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust 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.

Defined benefit pension scheme

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and the accounting policies for the useful economic lives for each class of assets.

Recognition of Diocese land and buildings

The recognition of the right to use Diocese owned land and buildings is based on the principles based approach driven by FRS102. Whilst the legal title has not been transferred to the Trust, the Trustees have assessed that the Trust has the right to the future economic benefit from their use and in accordance with their substance and not legal form the value of their continuing use have been accounted for in these financial statements.

3 Prior period adjustment

St Cuthbert's Roman Catholic Academy Trust is a part of the Diocese of Middlesbrough.

In preparing the current year financial statements it became apparent that there was an error in the year ended 31 August 2017 financial statements, whereby it was identified that the only tangible fixed assets previously recognised by the Academy Trust were land and buildings transferred on conversion from the local authority, however not the value of the continuing right to use Diocese land and buildings. Under FRS102 the substance of the arrangement and not the legal form should be accounted for on the basis that the Trust has the right to use and obtain future economic benefits derived from the Diocese land and buildings. Details of the valuation basis are noted in note 14. The financial impact of this has been detailed below:

		1 September 2016	31 August 2017
Reconciliation of funds	Notes	£	£
Funds as previously reported		(1,342,169)	(1,018,806)
Adjustments arising:			
Recognition of additional assets	1	4,043,716	4,043,716
Additional depreciation due to recognition of additional assets	2	(276,027)	(375,497)
Funds as restated		2,425,520	2,649,413

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Prior period adjustment (Continued)

Reconciliation of net income for the previous financial period	Notes	2017 £
Net expenditure as previously reported		(225,637)
Adjustments arising:		
Additional depreciation due to recognition of additional assets	2	(99,470)
Net income as restated		<u>(325,107)</u>

Notes to restatement

1) Increase due to recognition of additional assets

The total increase in cost of land and buildings due to the recognition of additional assets is £4,043,716 of which £1,144,568 is attributable land and £2,899,148 relates to buildings.

2) Additional depreciation due to recognition of additional assets

There has been an additional depreciation charge of £99,470 due to the recognition of additional assets, of which £9,157 is attributable to land and £90,313 relates to buildings. As a result additional accumulated depreciation as at 31 August 2017 was £375,497 (2016: £276,027).

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	116,001	116,001	74,973
Other donations	127,600	-	127,600	47,217
	<u>127,600</u>	<u>116,001</u>	<u>243,601</u>	<u>122,190</u>

The income from donations and capital grants was £243,601 (2017: £122,190) of which £127,600 was unrestricted (2017: £47,217) and £116,001 was restricted fixed assets (2017: £74,973).

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	15,549,842	15,549,842	4,573,219
Other DfE group grants	-	1,418,722	1,418,722	612,385
	-	16,968,564	16,968,564	5,185,604
Other government grants				
Local authority grants	-	830,372	830,372	364,261
Other incoming resources	-	10,000	10,000	15,845
	-	17,808,936	17,808,936	5,565,710

The income from funding for educational operations was £17,808,936 (2017: £5,565,710) of which £17,808,936 was restricted (2017: £5,565,710).

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	102,445	-	102,445	4,348
Catering income	349,204	-	349,204	39,342
Music tuition	43,946	-	43,946	9,039
Other income	1,602,174	-	1,602,174	112,403
	2,097,769	-	2,097,769	165,132

The income from other trading activities was £2,097,769 (2017: £165,132) of which £2,097,769 was unrestricted (2017: £165,132).

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Interest from short term deposits	955	-	955	963

The income from funding for investment income was £955 (2017: £963) of which £955 was unrestricted (2017: £963).

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Academy's educational operations					
- Direct costs	13,814,939	823,357	1,706,790	16,345,086	4,267,777
- Allocated support costs	3,074,858	930,559	1,856,700	5,862,117	1,911,325
Total support costs	16,889,797	1,753,916	3,563,490	22,207,203	6,179,102

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Operating lease rentals	43,473	11,179
Depreciation of tangible fixed assets	892,716	198,784
Net interest on defined benefit pension liability	134,000	67,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	25,000	12,500
- Other services	4,500	7,426

9 Charitable activities

	2018	2017
	£	£
Direct costs		
Educational operations - unrestricted	2,527,947	74,388
Educational operations - restricted	13,817,139	4,193,389
Support costs		
Educational operations - restricted	5,862,117	1,911,325
	22,207,203	6,179,102

The expenditure on charitable activities was £22,207,203 (2017: £6,179,102) of which £2,527,947 was unrestricted (2017: £74,388), £19,679,256 was restricted (2017: £6,104,714) and £892,716 was restricted fixed assets (2017: £198,784).

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	3,074,858	925,563
Depreciation	72,515	68,097
Technology costs	76,195	70,603
Premises costs	930,559	251,458
Other support costs	1,441,619	557,973
Governance costs	266,371	37,631
	5,862,117	1,911,325

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	12,682,535	3,491,000
Social security costs	1,051,272	287,311
Pension costs	2,835,090	832,703
Staff costs	16,568,897	4,611,014
Agency staff costs	284,101	93,874
Staff restructuring costs	36,799	48,145
Total staff expenditure	16,889,797	4,753,033

Staff restructuring costs comprise:

Redundancy payments	7,141	6,111
Non-contractual severance payments	29,658	42,034
	36,799	48,145

Non statutory/ non-contractual staff severance payments

Individual payments for non-statutory/ non-contractual payments were £12,878 on 12 October 2017, £10,342 on 7 January 2018 and £6,438 which was accrued at the year end and settled on 3 September 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	226	47
Administration and support	355	134
Management	35	11
	616	192

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff (Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	4	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£200,001 - £210,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the executive leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £757,250 (2017: £272,871).

11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Executive leadership;
- Chief Financial Officer and Finance Support;
- Payroll;
- HR;
- Safeguarding;
- Legal and professional services;
- IT service

The Academy Trust charges for these services on the following basis:

- 7% of GAG income

The amounts charged during the year were as follows:

	2018 £	2017 £
Endsleigh Holy Child Voluntary Catholic Academy	66,404	64,589
St Mary Queen of Martyrs' Voluntary Catholic Academy	80,528	72,290
St Richard's Voluntary Catholic Academy	93,080	96,865
St Vincent's Voluntary Catholic Academy	50,453	56,256
St Charles' Voluntary Catholic Academy	73,709	-
St Anthony's Voluntary Catholic Academy	61,325	-
St Thomas More Voluntary Catholic Academy	41,142	-
St Mary's College Voluntary Catholic Academy	555,115	-
	<u>1,021,756</u>	<u>290,000</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Trustees' remuneration and expenses

One of the Trustees was paid remuneration or has received other benefits from an employment with the Academy Trust. The former principal only received remuneration in respect of services provided undertaking the role of principal and staff member under contract of employment, and not in respect of services as a Trustee.

The value of Trustees' remuneration and other benefits was as follows:

P Graham (ex-Head Teacher) – Resigned May 2017
 Remuneration: £nil (2017 - £105,000 - £110,000)
 Employer's pension contributions: £nil (2017 - £10,000 - £15,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 - £nil) were reimbursed or paid directly to nil Trustees (2017 - nil).

Other related party transactions involving the Trustees are set out in note 28.

13 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,456 (2017: £1,456). The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

Group	Leasehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2017 (restated)	4,965,000	116,632	157,180	5,238,812
Acquisition of subsidiary	2,926,477	-	233,409	3,159,886
Transfer on conversion	23,680,000	-	225,968	23,905,968
Additions	509,390	53,783	77,483	640,656
At 31 August 2018	32,080,867	170,415	694,040	32,945,322
Depreciation				
At 1 September 2017 (restated)	424,732	93,209	42,098	560,039
Acquisition of subsidiary	2,048,677	-	220,618	2,269,295
Charge for the year	820,201	35,755	36,760	892,716
At 31 August 2018	3,293,610	128,964	299,476	3,722,050
Net book value				
At 31 August 2018	28,787,257	41,451	394,564	29,223,272
At 31 August 2017 (restated)	4,540,268	23,423	115,082	4,678,773

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets (continued)

Trust	Leasehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2017 (restated)	4,965,000	116,632	157,180	5,238,812
Transfer on conversion	23,680,000	-	225,968	23,905,968
Additions	509,390	53,783	77,483	640,656
At 31 August 2018	29,154,390	170,415	460,631	29,785,436
Depreciation				
At 1 September 2017 (restated)	424,732	93,209	42,098	560,039
Charge for the year	673,901	35,755	33,604	743,260
At 31 August 2018	1,098,633	128,964	75,702	1,303,299
Net book value				
At 31 August 2018	28,055,757	41,451	384,929	28,482,137
At 31 August 2017 (restated)	4,540,268	23,423	115,082	4,678,773

A valuation of the buildings was undertaken on a depreciated replacement cost basis by Sanderson Weatherall. A summary of the valuation is included below.

Included within leasehold land and buildings is £7,710,030 (2017: £1,378,210) relating to long leasehold land.

Where the land and buildings, including the value of the continuing right to use Diocese land and buildings at St Cuthbert's Roman Catholic Academy Trust are operated from is owned by the local authority and Diocese, the occupancy is made available to use under the terms of supplemental agreements. The substance of these arrangements is such that St Cuthbert's Roman Catholic Academy Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion.

Included within land and buildings are the following items stated at fair value:

Description	Effective date	Value of land £	Value of buildings £	Carrying value if held under the cost model £
St Mary Queen of Martyrs Voluntary Catholic Academy	15 May 2014	215,000	750,000	-
Endsleigh Holy Child Voluntary Catholic Academy	15 May 2014	365,000	695,000	-
St Vincent's Voluntary Catholic Academy	15 May 2014	150,000	640,000	-
St Richard's Voluntary Catholic Academy	15 May 2014	685,000	1,465,000	-
St Mary's College Voluntary Catholic Academy	1 October 2017	4,915,000	14,385,000	-
St Anthony's Voluntary Catholic Academy	1 October 2017	155,000	865,000	-
St Thomas More Voluntary Catholic Academy	1 October 2017	880,000	1,340,000	-
St Charles' Voluntary Catholic Academy	1 October 2017	440,000	700,000	-

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors

	Group	Trust	Group and Trust
	2018	2018	2017
	£	£	£
Trade debtors	66,120	66,120	3,414
Amounts owed by group undertakings	-	30,000	-
Other debtors	127,914	122,401	135,269
Prepayments and accrued income	<u>377,973</u>	<u>374,557</u>	<u>179,604</u>
	<u>572,007</u>	<u>593,078</u>	<u>318,287</u>

16 Creditors: amounts falling due within one year

	Group	Trust	Group and Trust
	2018	2018	2017
	£	£	£
Trade creditors	735,618	733,145	218,353
Other taxation and social security	300,533	296,079	69,129
Other creditors	303,278	303,278	86,333
Accruals and deferred income (see note 17)	<u>302,093</u>	<u>298,107</u>	<u>194,187</u>
	<u>1,641,522</u>	<u>1,630,609</u>	<u>568,002</u>

Deferred income at the period end is made up of Universal Infant Free School Meal funding for the period September 2018 to March 2019, rates relief for the same period and trip income for the period September 2018 onwards.

17 Deferred income (Group and Trust)

	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>186,566</u>	<u>100,364</u>
Deferred income at 1 September 2017	100,364	105,258
Released from previous years	(100,364)	(105,258)
Resources deferred in the year	<u>186,566</u>	<u>100,364</u>
Deferred income at 31 August 2018	<u>186,566</u>	<u>100,364</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Creditors: amounts falling due after more than one year

	Group	Trust	Group and Trust
	2018	2018	2017
	£	£	£
Trade creditors	26,369	26,369	-
Other creditors	<u>52,752</u>	<u>52,752</u>	<u>-</u>
	<u>79,121</u>	<u>79,121</u>	<u>-</u>

Included within other creditors is an amount due of £57,752, £5,000 due within the year, (2017: £14,402) to the Diocese of Middlesbrough repayable at £5,000 per annum.

19 Financial instruments

	2018	2017
	£	£
Group		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>360,191</u>	<u>71,781</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>1,233,544</u>	<u>398,509</u>
	2018	2017
	£	£
Trust		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>354,678</u>	<u>71,781</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>1,151,950</u>	<u>398,509</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds Group

	Balance at 1 September 2017 (Restated) £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	136,604	15,549,842	(15,686,446)	-	-
Other DfE / ESFA grants	-	1,418,722	(1,418,722)	-	-
Other government grants	-	830,372	(830,372)	-	-
Other restricted funds	-	10,000	(10,000)	-	-
Pension reserve	(2,816,000)	(2,159,000)	(841,000)	928,000	(4,888,000)
	<u>(2,679,396)</u>	<u>15,649,936</u>	<u>(18,786,540)</u>	<u>928,000</u>	<u>(4,888,000)</u>
Restricted fixed asset funds					
Transfer on conversion	4,540,268	24,796,559	(666,578)	-	28,670,249
DfE group capital grants	138,505	116,001	(226,138)	-	28,368
	<u>4,678,773</u>	<u>24,912,560</u>	<u>(892,716)</u>	<u>-</u>	<u>28,698,617</u>
Total restricted funds	<u>1,999,377</u>	<u>40,562,496</u>	<u>(19,679,256)</u>	<u>928,000</u>	<u>23,810,617</u>
Unrestricted funds					
General funds	<u>650,036</u>	<u>2,526,497</u>	<u>(2,528,707)</u>	<u>-</u>	<u>647,826</u>
Total funds	<u>2,649,413</u>	<u>43,088,993</u>	<u>(22,207,963)</u>	<u>928,000</u>	<u>24,458,443</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (continued) Trust

	Balance at 1 September 2017 (Restated) £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	136,604	15,549,842	(15,686,446)	-	-
Other DfE / ESFA grants	-	1,418,722	(1,418,722)	-	-
Other government grants	-	830,372	(830,372)	-	-
Other restricted funds	-	10,000	(10,000)	-	-
Pension reserve	(2,816,000)	(2,159,000)	(841,000)	928,000	(4,888,000)
	<u>(2,679,396)</u>	<u>15,649,936</u>	<u>(18,786,540)</u>	<u>928,000</u>	<u>(4,888,000)</u>
Restricted fixed asset funds					
Transfer on conversion	4,540,268	23,905,968	(517,122)	-	27,929,114
DfE group capital grants	138,505	116,001	(226,138)	-	28,368
	<u>4,678,773</u>	<u>24,021,969</u>	<u>(743,260)</u>	<u>-</u>	<u>27,957,482</u>
Total restricted funds	<u>1,999,377</u>	<u>39,671,905</u>	<u>(19,529,800)</u>	<u>928,000</u>	<u>23,069,482</u>
Unrestricted funds					
General funds	<u>650,036</u>	<u>2,415,419</u>	<u>(2,463,995)</u>	<u>-</u>	<u>601,460</u>
Total funds	<u>2,649,413</u>	<u>42,087,324</u>	<u>(21,993,795)</u>	<u>928,000</u>	<u>23,670,942</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the Trust's Funding Agreement with the Secretary of State the Academy Trust was not subject to a limit GAG which could be carried forward at 31 August 2018.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital.

Unrestricted funds relate to funds generated from individual schools integrating with the Academy Trust and from self-generated income by the Academy Trust.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (Continued)

Funds prior year – Group and Trust

	Balance at 1 September 2016 (Restated) £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	249,598	4,573,219	(4,676,439)	(9,774)	136,604
Other DfE / ESFA grants	-	612,385	(612,385)	-	-
Other government grants	-	364,261	(364,261)	-	-
Other restricted funds	-	15,845	(15,845)	-	-
Pension reserve	(3,128,000)	-	(237,000)	549,000	(2,816,000)
	<u>(2,878,402)</u>	<u>5,565,710</u>	<u>(5,905,930)</u>	<u>539,226</u>	<u>(2,679,396)</u>
Restricted fixed asset funds					
Transfer on conversion	4,670,955	-	(130,687)	-	4,540,268
Transfer	-	-	-	-	-
DfE group capital grants	121,855	74,973	(68,097)	9,774	138,505
	<u>4,792,810</u>	<u>74,973</u>	<u>(198,784)</u>	<u>9,774</u>	<u>4,678,773</u>
Total restricted funds	<u>1,914,408</u>	<u>5,640,683</u>	<u>(6,104,714)</u>	<u>549,000</u>	<u>1,999,377</u>
Unrestricted funds					
General funds	<u>511,112</u>	<u>213,312</u>	<u>(74,388)</u>	<u>-</u>	<u>650,036</u>
Total funds	<u>2,425,520</u>	<u>5,853,995</u>	<u>(6,179,102)</u>	<u>549,000</u>	<u>2,649,413</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (Continued)

Total funds analysis by academy

	Group 2018	Trust 2018	2017
		£	£
Fund balances at 31 August 2018 were allocated as follows:			
Endsleigh Holy Child Voluntary Catholic Academy	276,065	276,065	388,014
St Mary Queen of Martyrs' Voluntary Catholic Academy	317,325	317,325	372,185
St Richard's Voluntary Catholic Academy	(24,984)	(24,984)	(12,949)
St Vincent's Voluntary Catholic Academy	232,559	232,559	329,390
St Charles' Voluntary Catholic Academy	100,230	100,230	-
St Anthony's Voluntary Catholic Academy	124,471	124,471	-
St Thomas More Voluntary Catholic Academy	(142,236)	(142,236)	-
St Mary's College Voluntary Catholic Academy	9,112	9,112	-
St Mary's College Sports Development Company	46,366	-	-
Central services	(291,082)	(291,082)	(290,000)
Total before fixed assets fund and pension reserve	647,826	601,460	786,640
Restricted fixed asset fund	28,698,617	27,957,482	4,678,773
Pension reserve	(4,888,000)	(4,888,000)	(2,816,000)
Total funds	24,458,443	23,670,942	2,649,413

The above funds in deficit are being closely monitored by management. Income and costs are being reviewed with the aim of returning the school's funds to a surplus within two academic years.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (Continued)

Total cost analysis by academy - group

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£	£	£	£	£	£
Endsleigh Holy Child Voluntary Catholic Academy	892,490	191,506	34,288	211,014	1,329,298	1,296,985
St Mary Queen of Martyrs' Voluntary Catholic Academy	1,063,969	226,855	30,683	232,020	1,553,527	1,538,666
St Richard's Voluntary Catholic Academy	1,321,139	240,824	26,171	307,477	1,895,611	1,775,622
St Vincent's Voluntary Catholic Academy	658,528	172,910	27,646	184,348	1,043,432	992,827
St Charles' Voluntary Catholic Academy	666,286	143,965	15,487	154,208	979,946	-
St Anthony's Voluntary Catholic Academy	626,082	165,119	11,072	175,559	977,832	-
St Thomas More Voluntary Catholic Academy	642,167	118,447	8,728	180,681	950,023	-
St Mary's College Voluntary Catholic Academy	7,572,154	1,307,129	417,874	1,919,081	11,216,238	-
St Mary's Sports Development Company	-	-	-	148,307	148,307	-
Central services	607,231	272,996	-	340,806	1,221,033	268,224
	<u>14,050,046</u>	<u>2,839,751</u>	<u>571,949</u>	<u>3,853,501</u>	<u>21,315,247</u>	<u>5,872,324</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Funds (Continued)

Total cost analysis by academy - Trust

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£	£	£	£	£	£
Endsleigh Holy Child Voluntary Catholic Academy	892,490	191,506	34,288	211,014	1,329,298	1,296,985
St Mary Queen of Martyrs' Voluntary Catholic Academy	1,063,969	226,855	30,683	232,020	1,553,527	1,538,666
St Richard's Voluntary Catholic Academy	1,321,139	240,824	26,171	307,477	1,895,611	1,775,622
St Vincent's Voluntary Catholic Academy	658,528	172,910	27,646	184,348	1,043,432	992,827
St Charles' Voluntary Catholic Academy	666,286	143,965	15,487	154,208	979,946	-
St Anthony's Voluntary Catholic Academy	626,082	165,119	11,072	175,559	977,832	-
St Thomas More Voluntary Catholic Academy	642,167	118,447	8,728	180,681	950,023	-
St Mary's College Voluntary Catholic Academy	7,572,154	1,307,129	417,874	2,002,676	11,299,833	-
Central services	607,231	272,996	-	340,806	1,221,033	268,224
	<u>14,050,046</u>	<u>2,839,751</u>	<u>571,949</u>	<u>3,788,789</u>	<u>21,250,535</u>	<u>5,872,324</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Analysis of net assets between funds Group

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	524,655	-	28,698,617	29,223,272
Current assets	123,171	1,720,643	-	1,843,814
Creditors falling due within one year	-	(1,641,522)	-	(1,641,522)
Creditors falling due after one year	-	(79,121)	-	(79,121)
Defined benefit pension liability	-	(4,888,000)	-	(4,888,000)
Total net assets	647,826	(4,888,000)	28,698,617	24,458,443

Analysis of net assets between funds Trust

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	524,655	-	27,957,482	28,482,137
Current assets	76,805	1,709,730	-	1,786,535
Creditors falling due within one year	-	(1,630,609)	-	(1,630,609)
Creditors falling due after one year	-	(79,121)	-	(79,121)
Defined benefit pension liability	-	(4,888,000)	-	(4,888,000)
Total net assets	601,460	(4,888,000)	27,957,482	23,670,942

Analysis of net assets between funds Group and Trust

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	4,678,773	4,678,773
Current assets	650,036	704,606	-	1,354,642
Creditors falling due within one year	-	(568,002)	-	(568,002)
Defined benefit pension liability	-	(2,816,000)	-	(2,816,000)
Total net assets	650,036	(2,679,396)	4,678,773	2,649,413

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Contingent liabilities

In the St Mary's College Sports Development Company, in the event of the leasehold property being disposed of before October 2024 the grant received from Sports England amounting to £2,473,884 may be repayable and VAT recovered of £513,692 may be repayable.

23 Capital commitments

	Group and Trust	
	2018	2017
	£	£
Expenditure contracted for but not provided in the financial statements	-	32,941

24 Commitments under operating leases

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

	Group and Trust	
	2018	2017
	£	£
Amounts due within one year	18,902	10,760
Amounts due between one and five years	11,726	14,157
	30,628	24,917

25 Reconciliation of net income to net cash flow from operating activities

	2018		2017
	Group	Trust	Trust
	£	£	£
Net income for the reporting period (as per statement of financial activities)	20,881,030	20,093,529	(325,107)
Net surplus on schools transferring into the trust	(22,937,732)	(21,979,814)	-
Capital grants from DfE/ESFA	(116,001)	(116,001)	(74,973)
Interest receivable	(955)	(955)	(963)
Defined pension benefit scheme cost less contributions payable	707,000	707,000	170,000
Defined benefit pension scheme finance cost	134,000	134,000	67,000
Depreciation	892,716	743,260	198,784
	(439,942)	(418,981)	34,741
Increase in debtors	(253,720)	(274,791)	(45,609)
Increase/(decrease) in creditors	1,152,641	1,141,728	(401,894)
Debtors and creditors on conversion	9,276	-	-
Net cash provided by/(used in) operating activities	468,255	447,956	(412,762)

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Members' liability

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

27 Pension and similar obligations

The 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 East Riding Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £274,450 (2017 - £70,604) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Pension and similar obligations (Continued)

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 in 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 2.0% 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% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,324,366 (2017: £290,834).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan, so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% - 28.6% for employers and 5.5% - 12.5% for employees.

The additional LGPS obligation on transfer of schools relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 29) together with new employees who joined 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 Academy Trust at the balance sheet date.

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ("GMP") equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Pension and similar obligations (Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	812,000	355,000
Employees' contributions	231,000	78,000
Total contributions	<u>1,043,000</u>	<u>433,000</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	2.5 - 2.6	2.6
Rate of increase for pensions in payment/inflation	2.3 - 2.4	2.4
Discount rate for scheme liabilities	<u>2.8</u>	<u>2.5</u>

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	21.7	21.7
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.7	23.7
- Females	<u>26.4</u>	<u>26.4</u>

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

	2018 £	2017 £
Equities	4,864,000	1,871,000
Bonds	878,000	342,000
Cash	203,000	132,000
Property	<u>811,000</u>	<u>290,000</u>
Total fair value of assets	<u>6,756,000</u>	<u>2,635,000</u>

The actual return on scheme assets was £437,000 (2017: £136,000).

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	1,518,000	170,000
Net interest cost	134,000	67,000
Past service cost	1,000	-
	<u>1,653,000</u>	<u>237,000</u>
Total operating charge		
Changes in the present value of defined benefit obligations		2018 £
At 1 September 2017		5,451,000
Obligations acquired on conversion of schools into the Trust on transfer		4,868,000
Current service cost		1,518,000
Interest cost		281,000
Employee contributions		231,000
Actuarial gain		(638,000)
Benefits paid		(68,000)
Past service cost		1,000
		<u>11,644,000</u>
At 31 August 2018		
Changes in the fair value of the Academy Trust's share of scheme assets		2018 £
At 1 September 2017		2,635,000
Assets acquired on conversion of schools into the Trust on transfer		2,709,000
Interest income		147,000
Return on plan assets (excluding net interest on the net defined pension liability)		290,000
Employer contributions		812,000
Employee contributions		231,000
Benefits paid		(68,000)
		<u>6,756,000</u>
At 31 August 2018		

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Related party transactions

C Fearnley spouse of P Fearnley, chair of the board, is employed by the Academy Trust as a teaching assistant. The appointment was made in open competition and Trustee was not involved in the decision making process regarding appointment.

L Fearnley the mother of P Fearnley, chair of the board, is employed by the Academy Trust as a teacher. The appointment was made in open competition and Trustee was not involved in the decision making process regarding appointment.

M Ward the son of A Ward, a Trustee, is employed by the Academy Trust as a teacher. The appointment was made in open competition and Trustee was not involved in the decision making process regarding appointment.

29 Schools transferring in to the Group and Trust

The following schools transferred into the Academy Trust under the Academies Act 2010 on the dates set out below.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities and the value of the right to the continuing use of Diocese land and buildings transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of schools into the Trust from the local authority.

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.

Academy	Location	Date of transfer
St Charles' Voluntary Catholic Academy	Hull	1 October 2017
St Anthony's Voluntary Catholic Academy	Hull	1 October 2017
St Thomas More Voluntary Catholic Academy	Hull	1 October 2017
St Mary's College Voluntary Catholic Academy	Hull	1 October 2017

	2018 £
Net assets transferred:	
Tangible fixed assets	24,796,559
Net current assets	300,173
LGPS pension (deficit)	(2,159,000)
	<u>22,937,732</u>

ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

29 Schools transferring in to the Trust (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£	£	£	£
Fixed assets funds	-	-	24,796,559	24,796,559
LA budget funds	232,846	-	-	232,846
Debtors	15,969	-	-	15,969
Cash at bank and in hand	58,051	-	-	58,051
Creditors	(6,693)	-	-	(6,693)
LGPS pension funds	-	(2,159,000)	-	(2,159,000)
	<u>300,173</u>	<u>(2,159,000)</u>	<u>24,796,559</u>	<u>22,937,732</u>

All the operations, assets and liabilities and value of the right to the continuing use of Diocese land and buildings were transferred to St Cuthbert's Roman Catholic Academy Trust from the local authority and the Diocese of Middlesbrough listed above for £nil consideration.

Included within amounts received on schools transferred in to the Trust were £67,327 unrestricted funds and £890,591 restricted fixed assets funds in respect of, St Mary's Sports Development Company (a registered charity), a subsidiary acquired from the transfer of St Mary's College. These values were deemed to represent the fair values at the date of transfer.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 June 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by St Cuthbert's Roman Catholic 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.

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 period 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.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of St Cuthbert's Roman Catholic Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of St Cuthbert's Roman Catholic Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of St Cuthbert's Roman Catholic Academy Trust's funding agreement with the Secretary of State for Education dated May 2014 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of St Cuthbert's Roman Catholic Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to St Cuthbert's Roman Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 6 June 2018. Our work has been undertaken so that we might state to the St Cuthbert's Roman Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Cuthbert's Roman Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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Dated: 21 December 2018