

Company Registration Number: 09174154 (England and Wales)

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY

(A Company Limited by Guarantee)

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

Members

Barberi and Newman Academy Trust
Cathedral House
St Chad's Queensway
Birmingham
B4 6EU

Trustees

J Griffin, Chair
J Rowe, Vice Chair (appointed 31 October 2016)
C van Vliet, Principal and Accounting Officer
D Finucane
D Harris
D Kehoe
S Horan (appointed 1 September 2017)
P Berry
B McArdle
M Millward
P Parry
C Piggott
G Taylor-Smith
A Harlow (resigned 6 November 2017)
T Hammond (resigned 1 September 2017)

Company registered number

09174154

Company name

Saint Nicholas Owen Catholic Multi Academy Company

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

K Wilcox

Academy Senior Leadership Team (at 31 August 2017 unless stated)

Name	Position	Academy
S Horan	Principal (from 1 September 2017)	Hagley Catholic High School
T Hammond	Principal (1 September 2016 to 31 August 2017)	
K Morris	Vice Principal (from 1 September 2017)	St Ambrose Catholic Primary
S Horan	Vice Principal (from 1 September 2016 to 31 August 2017)	
E Yates	Chair of Academy Committee	
E Brocklesby	Principal (from 1 September 2017)	St Ambrose Catholic Primary
A Dickinson	Acting Executive Head (1 January to 31 August 2017)	
I Clubley	Principal (1 September 2016 to 31 December 2016)	St Joseph's Catholic Primary
H Stewart	Vice Principal	
P Parry	Chair of Academy Committee	
A Carry	Principal	St Mary's Catholic Primary
J McCole	Vice Principal	
S Price	Chair of Academy Committee	St Mary's Catholic Primary
O O'Beirne	Principal	
J Broomfield	Senior Assistant Principal	St Wulstan's Catholic Primary
C Beech	Chair of Academy Committee	
K Savage	Principal	
S Edwards	Vice Principal	Our Lady of Fatima Catholic Primary
P Kennedy	Chair of Academy Committee	
C van Vliet	Principal	
D O'Connor	Vice Principal	
L Cemm	Chair of Academy Committee	

Independent auditors

Moore Stephens LLP
Chartered Accountant and Statutory Auditor
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors

Howes Percival LLP
Oxford House
Cliftonville
Northampton
NN1 5PN

Principal and registered office

Hagley Catholic High School
Brake Lane
Hagley
Worcestershire
DY8 2XL

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Saint Nicholas Owen Catholic Multi Academy Company (Company) operates five primary schools (St Ambrose – Kidderminster; St Joseph's – Stourbridge; St Mary's - Brierley Hill; St Wulstan's – Stourport on Severn and Our Lady of Fatima – Harborne) and one secondary school (Hagley Catholic High – Hagley) across the West Midlands area to the south west of Birmingham. Each primary school has the capacity to accommodate two hundred and ten pupils and the secondary school can accommodate (including post 16) one thousand and sixty-six pupils. The total potential combined pupil population of Saint Nicholas Owen Catholic Multi Academy Company is therefore two thousand one hundred and sixteen (2,116). At September 2017 the combined actual pupil population on roll as recorded in the school census on 1st October 2017 stood at two thousand and eighty-seven (2,087).

Structure, governance and management

CONSTITUTION

Saint Nicholas Owen Catholic Multi Academy Company 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 company. Saint Nicholas Owen Catholic Multi Academy Company is one of many Catholic multi academy companies that operate within the umbrella of the Birmingham Diocese of the Catholic Church. This umbrella is partially administered by the Catholic Church through an associated charitable trust which is the Barberi and Newman Academy Trust (Company number 8183803). Saint Nicholas Owen Catholic Multi Academy Company consequently has a single member which is the Barberi and Newman Academy Trust. Power to appoint the majority of the Trustees / Directors of Saint Nicholas Owen Catholic Multi Academy Company is, however, held by the Diocesan Bishop under articles 46a and 50. The majority of trustee responsibilities are delegated to its Directors within the Articles of Association, Master Funding Agreement and Scheme of Delegation. A copy of these documents can be found on the company website <http://www.stnicholasowen-mac.org.uk>

A list of the Trustees / Directors is included in the Reference and Administrative Details on page 1. This list identifies the Trustees / Directors that were in post at the time the accounts were signed. Some of these were appointed after the financial year end of 31st August 2017 and these are identified by a * prefix. There are also Trustees / Directors who were in post at year end 31st August 2017, who are not listed on page 1. Their details can be found on page 22 as part of a full list of all resignations and appointments.

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.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

TRUSTEES' INDEMNITIES

For the period ended 31st August 2017 the Company purchased insurance cover to protect its Members, Trustees / Directors, Academy Representatives and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust / Company business. This cover provided up to £3,000,000 in aggregate claims in any one year. From 1st September 2017 this insurance equivalent cover is provided under the Government's Risk Protection Arrangement for Academy Trusts (RPA). The cover provides up to £10,000,000 in aggregate claims in any one year.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Full details are set out within the Articles of Association which detail the type, number and process of appointing Trustees / Directors. The minimum total number of Trustees / Directors is three but there is no maximum specified (Article 45). All Trustees / Directors must, upon appointment or election, sign a written undertaking to the Founder Member, the Diocese of Birmingham Trustees (Birmingham Roman Catholic Diocesan Trustees who are registered as a body corporate under Part 12 of the Charities Act 2011 - Registered charity number 234216) and the Catholic Diocesan Bishop (Article 45A). The form of that undertaking is set out as Annexure 2 of the Articles.

Subject to Articles 46 to 49 the Company shall have the following 'Directors':

- such number of Foundation Directors so as to constitute a majority of the Directors by at least two from time to time and shall be appointed under Article 50. No such Foundation Director shall be or become an employee of the Company;
- a maximum of two Staff Directors appointed under Article 50B;
- two Parent Directors appointed under Articles 53-56B;
- a maximum of two of the Principals of the Academies may be appointed as a Director under Articles 51A and 52;
- the Executive Principal (if any) appointed in accordance with Article 57A shall be a Director;
- The Company may also have up to three co-opted Directors appointed under Article 58.

The first Directors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Directors shall be appointed or elected, as the case may be, under these Articles of Association.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New Trustees / Directors and Academy Representatives are formally written to on appointment and supplied with relevant details on Governance as well as a copy of the Scheme of Delegation and information from the Birmingham Diocese. They are given access to a dedicated web portal which contains presentations from past training events, information, material and links to key documents and policies.

Training is also available from both internal and external providers. This is made available and Trustees / Directors and Academy Representatives are encouraged to attend. Opportunities for key governance members to meet others and senior teams are made available as well as contributing to strategic leadership through targeted group meetings of Academy Committee Chairs and school Principals.

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

ORGANISATIONAL STRUCTURE

The Board of Trustees / Directors have the ultimate responsibility for Saint Nicholas Owen Multi Academy Company. Where appropriate, duties are either delegated to a Directors committee or to (an) Academy Committee(s). The key delegation to Academy Committee level is set out within a written Scheme of Delegation.

The Accounting Officer is also a Principal Director of the Company and has ultimate responsibility for the financial operations and controls in place. Delegation of financial responsibility is set out within the Company's Financial Regulations and more specifically in the Scheme of Financial Delegation (Financial Regulations – Appendix N).

The role of Finance Director / Principal Finance Officer is incorporated into the post of MAC Business Director who reports directly to the Chair of the Board of Trustees / Directors.

Leadership and Management across the Multi Academy Company is delegated by Directors to the Senior Leadership Team of each Academy.

The Board of Trustees / Directors maintains overall control for:

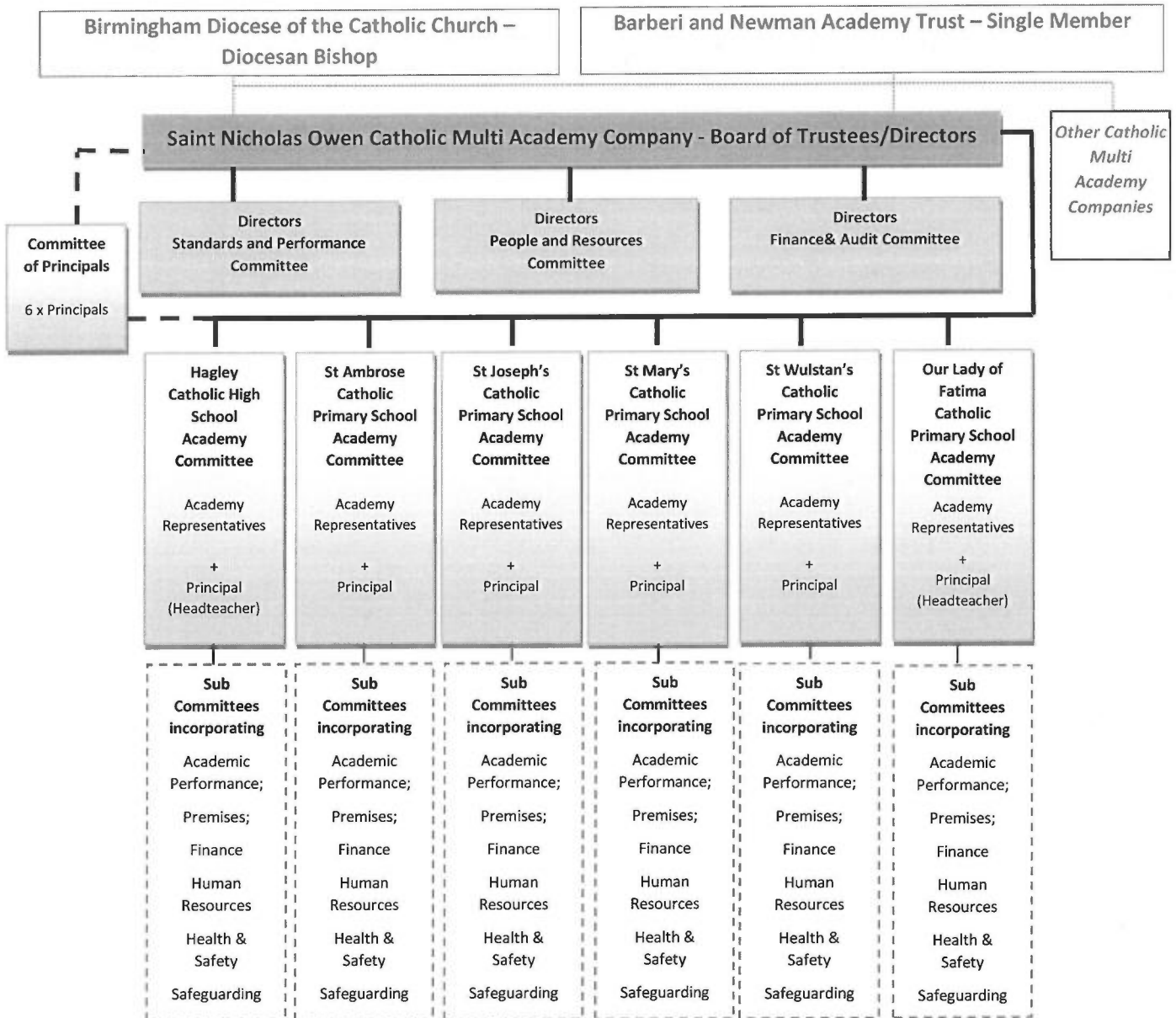
- the activities and performance of the Company.
- the appointment of Directors (see Method of Recruitment and Appointment or Election of Trustees / Directors above) and Academy Representatives.
- the appointment of key senior management such as academy principals / vice principals and the Business Director
- significant external partners and major contracts.
- the approval of annual financial statements, statutory accounts, statutory returns and budgets.
- the approval of key corporate policies
- ratifying policies and procedures implemented within the Company.

The Board, in the performance of its duties, pays due regard to the advice and information provided by its supporting committees including Academy Committees.

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

Standards and Performance	People and Resources	Finance and Audit
Key Responsibilities:		
<ul style="list-style-type: none"> • Educational performance • Educational standards 	<ul style="list-style-type: none"> • Human Resources • Buildings and Grounds • Health, Safety and Wellbeing 	<ul style="list-style-type: none"> • Financial Planning • Financial Performance • Financial Management • Risk Management • Compliance • Internal Control • Value for Money
Core Functions To:		
<ul style="list-style-type: none"> • consider the Catholic ethos of the SNOMAC schools and make recommendations to sustain, nourish and develop it. • make recommendations to the Board and to the individual School Committees on issues relating to the educational character and mission. • receive and consider reports from the appointed School Improvement Partners and to implement recommendations • To have strategic oversight of standards and performance across all Saint Nicholas Owen Catholic Multi-Academy Schools including the following aspects:- <ul style="list-style-type: none"> ○ Safeguarding ○ Achievement and Progress for all groups of learners ○ Pupil Premium, Gifted & Talented and Special Educational Needs ○ Whole School Reviews (External and Internal) ○ Progress and Achievement data at all levels: external and, as appropriate, internal ○ Ofsted and Diocesan inspections and reports ○ School Development / Improvement Plans ○ School Profiles and Self Evaluations ○ Staff, Parent and Learner Questionnaires ○ Target Setting for End of Key Stage Statutory Testing / Public Examinations ○ Curriculum and Assessment policies and practice ○ Reporting to parents 	<ul style="list-style-type: none"> • review the staffing structure for each Academy . • ensure good personnel practice is employed. • ensure the selection and induction of all new staff is professionally and rigorously carried out. • ensure that the professional development needs of all staff are being properly addressed. • to act as first /review panel for business relating to staff pay and conditions and redundancy. • ensure compliance with safer recruitment procedures. • review the relevant personnel and staff related policies and procedures. • ensure appropriate consultation with recognised trade unions and other recognised representatives. • ensure health and safety compliance with current regulation. • ensure relevant and effective communication with the communities served. • ensure a unified approach is applied to communications with the media. 	<ul style="list-style-type: none"> • consider indicative grant funding to assess its implications for the Company. • perform the initial review of the annual budget and make recommendation to the BoD. • contribute, to the formulation of each Academy's Development Plan. • receive and make recommendations on the broad budget headings to be adopted each year, including the level and use of reserve funds. • monitor and review expenditure to ensure compliance with financial plans and the regulations of the ESFA. • monitor and review financial policies & procedures. • review the Draft Statutory Annual Financial Statement and Reports of the Company and recommend for acceptance. • make recommendation to the BoD in respect of capital expenditure. • approve the awarding of any contracts or purchase orders over set limits. • ensure that the Company receives value for money from all goods and services procured or contracted. • review the Company's internal and external financial statements and reports to ensure that they reflect best practice • monitor the integrity of the financial statements of the Company. • consider and advise the BoD on the Company's annual and long-term audit programme. • to make recommendations regarding the appointment, reappointment and removal of the external auditor. • discuss with the external auditor the nature and scope of each forthcoming audit and the findings of the audit once completed. • consider all relevant reports by the Accounting Officer, any internal/external auditors. • monitor the implementation of action to address adverse control findings. • review the effectiveness of the Company's internal control system. • review the operation of the Company's codes of practice.

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

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trustees/Directors appoint all senior positions at Vice-Principal and above within the Company.

For each school/academy this is all positions above that of Assistant Principal. At present such positions are primarily those of Principal and Vice Principal but at times this may be extended to other temporary posts above Assistant Principal level. Pay and remuneration for these positions follows established Education Sector norms. Principal/Vice-Principal pay ranges are set in accordance with national terms and conditions associated with school size (School Teachers Pay and Conditions Document and Guidance on School Teachers Pay and Conditions). Annual increments are awarded in accordance with a robust process of performance management that, at the level of Principal, requires final formal 'sign off' at Board level.

Each Principal is subject to a pay review annually and this is conducted by the respective academy committee supported by the company assigned School Improvement Partner and at least one Director. The recommendation of the academy committee is passed to the Board of Trustees/Directors for a decision in the autumn term.

In addition, the Board of Trustees/Directors appoint senior central officers. At present this is the MAC Business Director (Finance Director). Pay and remuneration for this post is set at appointment as a scale of four incremental points based on the NJC national pay scale for public sector workers within schools. Increments are awarded annually up to the maximum point on the range.

The Board of Trustees/Directors consider the recommendations of the respective national cost of living pay rise negotiating committees such as the School Teachers Review Board and award cost of living pay rises following an internal review and debate which will include an assessment of affordability.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Company through Hagley Catholic High School is associated with the Continu Trust. This is a not for profit body centred on the Wyre Forest and Hagley area which aims to foster effective working relationships and cooperation between local secondary schools.

See also our connection with the Barberi and Newman Academy Trust (Company number 8183803) and the Birmingham Roman Catholic Diocesan Trustees (Registered charity number 234216) set out in Constitution, Organisational Structure and Method of Recruitment and Appointment or Election of Trustees/Directors sections above.

Objectives and Activities

OBJECTS AND AIMS

Saint Nicholas Owen Catholic Multi Academy Company is restricted in its principal object and in its aims through a number of funding agreements with the ESFA and agreements including leases with the Catholic Church. Funding is granted to the Company by the ESFA in order to advance for the public benefit, education in the United Kingdom. This will include establishing, maintaining, carrying on, managing and developing schools (academies) which offer a broad and balanced curriculum. These schools (academies) will be conducted as Catholic schools (academies) in accordance with the Code of Canon Law of the Latin Church and the doctrinal, social and moral teachings of the Catholic Church as advised from time to time by the directives and policies issued by the Diocesan Bishop; so as to ensure that formation, governance and education within Saint Nicholas Owen Multi Academy Company schools and academies is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in our Lord Jesus Christ.

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TRUSTEES' REPORT (continued)
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Motto

In Jesus we live learn and serve.

Our Mission

Saint Nicholas Owen Catholic Multi Academy Company is committed to excellent education for all rooted in Gospel values, inspiring a love for life-long learning and following the compassion of Christ.

OBJECTIVES, STRATEGIES AND ACTIVITIES

In 2016 the Directors approved and published (see web site) a Saint Nicholas Owen Catholic Multi Academy Company - Strategic Development Plan 2016 – 2021. This document sets out a clear direction of travel for the Company over the next five years and a framework of how progress and performance will be measured. The plan is formally reviewed bi-annually. All schools (academies) produce an annual school specific development plan which take their overall direction from the Company Five Year Strategic Development Plan.

In 2016-17 performance against the measures of progress set out within the SDP were reviewed by respective Director committees. It was found that outcomes against target were generally in line with or better than those expected in key areas.

Key outcomes of School Specific Development plans delivered in 2016-17:

Hagley Catholic High School

- A programme aimed at developing leadership for Middle Leaders was developed and successfully delivered.
- A more rigorous and robust strategy is now in place for Departmental SEF (Self-evaluation) which is linked to SLT link meetings. This provides greater transparency and for middle leaders to be held to account against published developmental targets.
- Significant work has been undertaken to develop the monitoring of Attainment 8 / Progress 8 performance measures. More work is needed and this will remain a focus target in 2017-18.
- Year 1 of an effective 3-year impact monitoring exercise has been successfully completed for the new KS2 assessments and GCSE grades. This work will continue in 2017-18 and 2018-19.
- Work has been undertaken to further develop aspects of teaching i.e. pace/challenge, use of success criteria and progress over time. This is an area which we will continue develop and refine over the next few years.
- In order to develop greater consistency in marking and written feedback the school has introduced triangulation data analysis which shows that significant improvements have and are being made in this area. The SIP has identified this as a clear example of good practice.
- The school has successfully secured the provision of various services to enhance support to both pupils and staff in the areas of emotional health & wellbeing.
- The school has worked hard to continue to close attendance gaps between groups of pupils. The average attendance figure for all pupils at the end of 2016/17 was 96.4%. The attendance for non-disadvantaged pupils was 96.8% and for disadvantaged pupils it was 94.1%. This results in a -2.7% gap which compares favourably against 2015/16 when the end of year gap was -3.2%. The gap between the non- disadvantaged and the disadvantaged 'Persistent Absentees' reduced from -15.5 at the end of 2015/16 to -3.5 at the end of 2016/17.
- The target to achieve 360 E-safety accreditation was not met in the year but work is in progress and will remain a target for 2017-18.
- The Prevent agenda was embedded as planned and is delivered via British Values within the Tutorial Programme across the key stages.
- Work to develop Post-16 Intervention during the year was successful as evidenced by the significantly positive L3VA score of +0.23.

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

- A Pupil Organisation Policy was successfully launched across all subjects. Marking audits have identified that the policy has greatly improved pupils' organisation of their work in the 6th Form.

Our Lady of Fatima Catholic Primary School

- Work to improve attainment in Religious Education by developing thinking skills focussing on deeper questioning has been successful. This is evidenced and supported by pupil engagement with 'big questions' of meaning and purpose, pupils' responses are focussed and relevant. The introduction of differentiated tasks in RE has evidenced progress measured from the starting point of each unit of work. This fed into teachers' planning so that learning is personalised. Areas for development have been identified, intervention programmes are actioned and underachievement is addressed. Whole school and Class worship regularly address 'big questions'. Pupils' enjoyment has improved as they actively engage in purposeful learning. There is clear evidence that pupils increasingly lead collective worship confidently, ask 'big questions' and deepen their knowledge and understanding of their faith through their relationship with God.
- The programme to improve the progress in writing across the curriculum, to identify all underachieving pupils from all groups of learners and from this analysis, prepare, plan, deliver and assess against the new National Curriculum, so that the proportion of pupils working at or above age-related expectations is at least in line with national averages, has been actioned. Key aspects of the programme include:
 - o Planning and assessment to provide achievable challenges linked to learning styles for different groups.
 - o Introducing higher quality writing skills through increased opportunities for pupils to match the quality of writing across all curriculum areas including Literacy.
 - o Focussed teaching resulting in an increased ability for pupils to use and apply higher order skills.
 - o Teachers have a high focus on the minimum standards and expectations in writing (non-negotiable).
 - o Read, Write, Inc initiatives have been 'piloted'. This will be further developed in 2017-18.
 - o Groups have been created on Target Tracker to specifically target pupils who have the ability to be high level writers across the curriculum (based upon ongoing assessment). This has meant that all pupils, from all ability groups, are closely tracked with appropriate action plans implemented as required.
- The target to improve the achievement in Maths for all groups of learners by improving the teaching and learning of mathematical reasoning and problem solving has been met. Teachers now use precise questioning to test conceptual and procedural knowledge. Pupils are more confident with their responses. Regular pupil assessment is used to identify those requiring intervention so that all pupils make progress. Problem solving and reasoning skills are transferring to other subject areas. Marking has focussed on selecting strategies, drawing logical conclusions, developing, describing and reflecting on problem solving solutions. Regular opportunities in homework books are offered to solve mathematical problems impacting on overall learning outcomes. Where underachievement is identified, action plans are put in place with progress being discussed in detail during pupil progress meetings.
- To create and develop a Forest school within the school setting (2015-2018) is an ongoing project.

St Ambrose Catholic Primary School

- In order to embed the effective and appropriate use of pupil targets a product called Target Tracker was purchased and staff received training in its effective use.
- In order to raise the quality of all teaching to at least Good across the school staff undertook a process of CPD. This included staff attending a course in outstanding teaching which was followed up by the SIP visiting identified outstanding teaching in practice within the school.
- In order to improve the rigour of Pupil Progress Meetings staff are now released from classes to attend focused pupil progress meetings and they have been trained to effectively moderate pupils work.

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

- The Senior Leadership Team received training from the Acting Executive Head to develop skills to lead observations/learning walks and interpret data. Time is now given to staff to feedback to other staff with the aim of continual improvement in this area.
- To increase pupil involvement in leading collective worship opportunities, pupils now attend specific training to develop skills to lead collective worship and this is supported by new and additional resources including music and new prayer books.

St Joseph's Catholic Primary School

- To further improve the quality of teaching and learning in RE improvements were made by increasing teacher confidence to assess and moderate the progress of pupils via termly moderation exercises. Evidence of progress was obtained when all classes achieved the attainment target set at the beginning of the year.
- Improvement in the quality of teaching and learning in writing throughout the school was achieved through a programme of high-quality training to deliver the phonics scheme. A s8 inspection confirmed that phonics is taught consistently well across the school. There was a clear and positive impact in Reception and across Key Stage 1. It was also noted that pupils engage in the wide range of writing opportunities that are available across the whole school.
- The drive to increase the amount of teaching that is outstanding continued and there is now clear evidence of consistently good and outstanding practice taking place across the school. The s8 inspection highlighted that progress during lessons and in books demonstrates that teachers have high expectations.
- Measures put in place to make improvements in pupils' achievement in writing, so that attainment is above the national average at the end of Key Stages 1 and 2, were effective. Writing outcomes at the end of Key Stage 1 and 2 were better than 2016 outcomes and above national averages, including the percentage of pupils achieving greater depth. The school progress score also increased from -3.5 to -1.3 to reach 'average' in comparison to other schools nationally.
- The effort to increase the progress made by all groups of pupils throughout the school in the aspect of writing produced encouraging outcomes. All pupils, girls, boys, disadvantaged and non-disadvantaged pupils all achieved at least 90% progress measure in writing. SEND achieved 87% and more able pupils 76%. Work on this will continue in 2017-18.
- Work to further develop the school curriculum, including an effective tool to track pupil progress, continued in 2016-17. This encompassed work to increase teacher confidence with the use of the school data tracking system in order to inform planning. Progress in this area was confirmed at the s8 inspection. It noted that as a result of the above, teaching is more focused on pupils' learning needs.

St Mary's Catholic Primary School

- To develop the use of thinking skills in the RE curriculum staff received training and a focus for assessment throughout the Strands.
- To further develop the extent to which pupils show interest and actively participate in collective worship, revised collective worship subject matter was agreed and used. Collective worship displays were enhanced around the school and pupils were actively encouraged to lead collective worship and prayer.
- Middle leaders were developed through personalised support and training. Their roles and responsibilities were reviewed and updated. A revised model of monitoring, moderation and support time table was agreed and implemented.
- The role of the teaching assistants within the school was further developed through training to support the delivery of intervention strategies. Their understanding of their accountability in the role was also clarified and enhanced through specific training.
- The Senior Leadership Team were developed through working with and alongside a strategic leadership consultant.
- The Academy Committee were actively engaged in school improvement as evidenced through their successful involvement in s48 inspection and a s8 HMI inspection.

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

- Revised provision mapping and support allocations were introduced in order to further develop how children eligible for the Pupil Premium were appropriately supported in order to make good progress.
- Various measures were carried out to improve the quality of teaching, so that learning experiences are of consistently high quality for all pupils. This is an ongoing process that will be carried forward into plans for 2017-18
- Action was taken to improve outcomes for children in writing. This work needs to be embedded and will be a focus for further development in 2017-18.
- To enable parents to support their children's learning at home, a timetable of parent workshops has been developed focusing initially on English and mathematics. Parents have also been given access to an online educational resource via an App on the school website.
- A programme of staff training was delivered aimed at enhancing monitoring and evaluation in order to develop assessment across the school. This will enable the school to set challenging targets based on accurate data.
- Action was taken to better support pupils to become independent learners. This work is ongoing and will continue to be a focus in 2017-18.
- The views of pupils in planning for school improvement has been enhanced through the use of SEND and safeguarding pupil questionnaires.
- A process to implement peer mentor programme has been successful and has become embedded over the year.

St Wulstan's Catholic Primary School

- The Catholic Life of the school was enhanced through the procurement and installation of a lens board. New house Saints were established and prayer area focus was enhanced. The Jesuit profile was further embedded through out the school with stronger Parish links through School Mass and school led Masses at Church. There was an increased focus on collective worship, developing the Catholic environment, implementation of Jesuit values, daily routines and involvement within the wider community. The target to enhance the Catholic environment of the school was met.
- To develop the engagement of Academy Committee members in school development link Academy Representatives were established with a planned timetable of regular visits were established. Marketing and self-evaluation working parties were created and a programme of training for Academy Reps was introduced.
- Work to improve standards of attainment and progress in Mathematics has achieved tangible results with improvement in end of key stage attainment and progress at KS2 (88% ARE with 45% Exceeding +1.5% progress).
- Work to improve standards of attainment and progress in Writing and Reading has also yielded positive improvement in both attainment and progress with a 100% Y1 Phonics screening. Reading at end of KS2 was 85% ARE with 27% Exceeding 1.2 % progress. Writing achieved 82% ARE with 18% Exceeding - 0.5% progress (an improvement on 2016 progress).
- The school's work to improve standards of attainment and progress for disadvantaged and low achievers did show improvement in this area but work to narrow the attainment gap remains a key focus.
- The programme to raise levels of attendance was successful with attendance now in line with the national average of 96%.
- Creative Curriculum was a school focus throughout the year and this work saw it embedded across school. By year end there was clear evidence of a positive impact seen in the greater depth of work being produced.
- In order to raise levels of emotional wellbeing of pupils and staff several new targeted programmes were successfully introduced or embedded. These included peer to peer massage and Safe speak. Surveys show positive responses in both pupils and staff.

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

PUBLIC BENEFIT

Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Company's aims, objectives and planning future activities.

Strategic report

ACHIEVEMENTS AND PROGRESS

Hagley Catholic High School

Key Stage 4 Data Expected Level of Progress Post 16 (A Level)

5+ std [9-4] passes inc. En & Ma	80.8%	n/a
5+ std [9-4] passes	84.4%	
Std pass [9-4] in English	92.2%	
Strong pass [9-5] in English	79.6%	
Std pass [9-4] in Maths	86.2%	
Strong pass [9-5] in Maths	67.1%	
Std passes in English and Maths	83.8%	
Strong passes in English and Maths	62.3%	
Progress 8 Score	-0.14	
Attainment 8 Score	52.6	
Average point score per entry	5.08	
EBacc	12.6%	

A* - B	56.6%
A*-E	99.9%
3+ A* - E	98.9%
2+ A*-E	100%
Average Point Score Per Entry	37*
Average Point Score Per Student	139*

*New Tariff

Our Lady of Fatima Catholic Primary School

Early Years Foundation Stage GLD: 80%
Year 1 Phonic Check: 90%

Key Stage 1 Data

Attainment	Reaching ARE
Reading	97%
Writing	93%
Maths	93%
Combined	93%

Key Stage 2 Data

Attainment	Reaching ARE	Progress KS1-KS2
Reading	93%	+1.7
Writing	100%	+0.6
Maths	93%	+0.4
EGPS	100%	
Combined	90%	

St Ambrose Catholic Primary School

Early Years Foundation Stage GLD: 69%
Year 1 Phonic Check: 85%

Key Stage 1 Data

Attainment	Reaching ARE
Reading	77%
Writing	67%
Maths	77%
Combined	63%

Key Stage 2 Data

Attainment	Reaching ARE	Progress KS1-KS2
Reading	59%	-2.1
Writing	76%	-0.8
Maths	72%	-1.1
EGPS	79%	
Combined	55%	

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY

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

St Joseph's Catholic Primary School

Early Years Foundation Stage GLD: 77%

Year 1 Phonic Check: 94%

Key Stage 1 Data

Attainment	Reaching ARE
Reading	90%
Writing	76%
Maths	79%
Combined	69%

Key Stage 2 Data

Attainment	Reaching ARE	Progress KS1-KS2
Reading	90%	+0.9
Writing	80%	-1.3
Maths	80%	+0.4
EGPS	90%	
Combined	73%	

St Mary's Catholic Primary School

Early Years Foundation Stage GLD: 68%

Year 1 Phonic Check: 83%

Key Stage 1 Data

Attainment	Reaching ARE
Reading	63%
Writing	53%
Maths	67%
Combined	47%

Key Stage 2 Data

Attainment	Reaching ARE	Progress KS1-KS2
Reading	76%	-1.9%
Writing	83%	-2.2%
Maths	76%	-1.7%
EGPS	86%	
Combined	66%	

St Wulstan's Catholic Primary School

Early Years Foundation Stage GLD: 70%

Year 1 Phonic Check: 100%

Key Stage 1 Data

Attainment	Reaching ARE
Reading	76%
Writing	76%
Maths	76%
Combined	76%

Key Stage 2 Data

Attainment	Reaching ARE	Progress KS1-KS2
Reading	85%	+1.2
Writing	82%	-0.5
Maths	88%	+1.5
EGPS	91%	
Combined	76%	

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

GOING CONCERN

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

FINANCIAL REVIEW

The Company is principally funded by government grant which is obtained from the Education and Skills Funding Agency (ESFA) under a funding agreement. This is recurrent annual grant funding paid in monthly instalments or on other specified dates and for a specified purpose. The use of these funds is therefore restricted. Grants of this nature received from the ESFA for the period to 31st August 2017 and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Company has put in place a set of detailed Financial Regulations and other associated policies in order to facilitate sound financial management and control across all of its academies and operations. These serve to minimise risk and to ensure conformity with the requirements of propriety and regularity. They include: Cash Management, Payroll Procedures, Purchasing, Budget Setting, Petty Cash, Charge Cards, Investment, Risk Management, Virement, Bank Accounts/BACs/Fasterpayment, Fixed Assets, VAT, Trips, Uniform, Tendering, Write-offs, Irregular or Improper Transactions, Leases, Connected Parties, Whistleblowing, Anti Bribery and Corruption (including gifts/hospitality), Expenses and Conflict of Interest policy. Clear financial limits and responsibilities are set out within a written Scheme of Financial Delegation.

All schools/academies within the Company are finding the current funding climate extremely challenging. Five years plus of unfunded cost pressures has built significant financial strain that is leading to the year on year use of reserves of many of our schools in order to produce balanced budgets. This pressure has been most keenly felt at secondary level as unfunded percentage rises in cost factors such as national insurance, pension payments, salary inflation and apprenticeship levy etc. equal much larger cash sums for this sector to find. The move to a National Funding Formula was welcomed but delays in its introduction coupled with a protracted period of unfunded cost pressure has led to a position where medium to long term financial sustainability is a challenge. Substantial savings have been made year on year and the protection of high quality pupil education will remain a top priority for the Company in this ongoing process.

During 2016/17 Hagley Catholic High School went into actual deficit by £20,000. The Company Directors are working very closely with the school's Principal, Senior Leadership team and Academy Committee to agree a three-year recovery plan via a special multi-disciplinary working party set up for this specific purpose.

Reserves policy

The Company regularly (at least annually) reviews the level of reserve in accordance with the requirements set out within the Master Funding Agreement with the ESFA. The level of general reserves held (excluding pensions and fixed assets) as at 31st August 2017 is £1.28m. See notes to the financial accounts for a breakdown of the reserves held.

The level of reserves held will enable the Company to support Hagley Catholic High School to maintain cash flow and to recover to a balanced budget position. The recovery plan will include the reclamation of all funds utilised in this way.

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

Investments policy

The Directors manage and control investment of funds in accordance with Appendix I of the Financial Regulations. The emphasis of this policy is centred on maximising investment income whilst protecting the funds invested. The policy is reviewed regularly by the Finance Committee. The Company has chosen not to invest any funds in order to prioritise cash flow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees/Directors have approved a risk management policy and strategy which is set out as Appendix J to the Financial Regulations. In accordance with policy the Company maintains a Risk Register through which it identifies and manages risks in four key focus areas. These are Strategic and Reputational (Risk 1), Operational (Risk 2), Compliance (Risk 3) and Financial (Risk 4). Processes, procedures and control mechanisms have been implemented by the Trustees/Directors to mitigate the risks identified. The Risk Register is reviewed regularly by the Finance and Audit Committee.

No new risks were identified in 2016/17 but some key existing risks already identified did change in nature. These included:

- Safety - A need for increased preparedness for lockdown and evacuation. Each school has revised and implemented new plans.
- Staffing - There is still growing evidence of difficulties in the labour market for the key roles of Principal and Vice Principal. This is a risk affecting all Catholic schools and we are working with our diocese to create better succession planning.
- Reputational/Financial/Compliance - European legislative changes to data protection with the introduction of the General Data Protection Regulation (GDPR) from May 2018. A multi-disciplinary working party has been formed and is working on a plan to address GDPR compliance.
- Financial – The funding climate remains uncertain with the National Funding Formula being 'soft' until 2020-21 and subject to each local authority funding formula. Failure to significantly improve the funding of each of our schools will lead to significant cost reduction measures. Each school continues to work on multiple year financial plans and the Directors continue to monitor the situation at both individual school and whole company level.

There is a substantial deficit in the Local Government Pension Scheme and against the trend of previous years it was relatively stable between August 2016 (£4.49m) and August 2017 (£4.46m). The level of deficit remains high and this represents concern. However, Parliament has agreed to guarantee that in the event of an academy closure, any outstanding local government pension scheme liability will be met by the Department for Education. This guarantee came into force on 18th July 2013. The Trustees/Directors will monitor the actions of the DfE in the exercise of this guarantee over time.

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

Plans for future periods

FUTURE DEVELOPMENTS

Hagley Catholic High School

Leadership and Management:

- Continue to develop internal self-review systems: SEF validation; SLT Link Meetings.
- Ensure that middle leader meetings are using performance management targets to drive their development plans and leadership strategies.
- Look at effective supportive CPD strategies to eradicate inconsistency in progress performance across subjects.
- Improve parental engagement: SIMs Learning Gateway; SIMs In-Touch.
- Reduce the school's financial deficit and agree and implement a long term plan for full recovery and financial stability.
- Develop governance to achieve outstanding outcomes.

Curriculum:

- Review the curriculum across the key stages to ensure that all pupils and groups of pupils make expected progress.
- Ensure a clear flight path of skills and staff teaching to skills.
- Plan and review how ongoing intervention is logged and recorded so that pupils share responsibility for their own improvement and progress.

Teaching and Learning:

- Develop effective questioning to improve pupil progress.
- Develop differentiation to improve pupil progress.
- Further develop literacy across the curriculum to enable pupils to understand the current language of examinations.
- Further develop lesson planning strategies in line with current pedagogy.

Assessment:

- Review the effectiveness of assessment within the school to improve pupil progress.

Pupil Outcomes:

- Set targets at whole-school level and within each subject area so that all ages and groups of pupils make expected progress or better in line with national averages.

Personal Development Behaviour and Welfare

- Monitor, develop and evaluate the effectiveness of the school's Behaviour Management System in supporting pupils' academic progress.
- Develop the newly created role of 'Behaviour Support Coordinator' to support staff with disruptive pupil behaviours.
- Create a system for recording and monitoring whole-school extra-curricular and leadership opportunities.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Our Lady of Fatima Catholic High School

Catholicity

- To develop and improve child led worship.

Teaching and Learning

- To further improve reading and writing standards across the school so that high attaining boys' progress improves and is in line with the progress of the whole cohort.

Pupil Outcomes

- To develop mastery skills in Mathematics leading to improved outcomes so that a greater proportion of Greater Depth is achieved by the end of the year.

St Ambrose Catholic Primary School

- To raise the participation of pupils in the Catholic life of the school enabling more pupils to take the lead in liturgies and bear witness to their faith through parish/school links. Target Weekly Liturgies to be led by Year 6 Prayer Leaders.
- To maintain or improve the quality of teaching in all areas to provide sufficient opportunities for most able pupils to work at greater depth and ensure there is a consistent approach to identifying pupils who are on track to be above age related expectations. Target maintain or improve the proportion of pupils that make greater depth in every year group.
- Improve the rigour of monitoring the progress of every child. Ensure intervention programmes are effective in closing the gap for targeted groups and individuals. Target All pupils to make 3 points progress.
- To develop rigour and effectiveness of planning, monitoring and self-evaluation systems in core subject areas Literacy, Maths and -R.E. Target-Pupils to maintain 3 points progress or increase to 4 points progress.
- To further raise the awareness of the impact of good attendance. Reduce the level of persistent absenteeism and narrow the gap between groups so they are broadly in line with National Averages.
- To ensure high standards of pupil safety in all aspects of school life. Target Behaviour policy to be launched, Number of racist/behaviour and bullying incidents to be reduced.

St Joseph's Catholic Primary School

Whole School Priorities 2017-18

- Continue to increase the amount of teaching that is outstanding and make sure that all teaching is at least good.
- Develop an effective broad and balanced school curriculum to prepare the children for the next phase in their learning.
- Continue to improve the progress and attainment of pupils in maths and writing so that pupils achieve at least the expected standard in terms of age-related expectations (ARE).
- Diminish the difference in attainment between SEND and Disadvantaged pupils in comparison to Non- Disadvantaged pupils and between boys and girls.

s48 Interim Visit Priorities

- To use class teacher feedback to pupils, and deeper questioning during lessons, to address how pupils learn from religion and to reflect on how religion impacts on their lives.
- To increase the opportunities for all pupils to plan and lead Collective Worship.
- To enhance senior leaders' feedback to the Academy Committee so that they can be fully informed about the strengths and areas of development of RE, Catholic Life and Collective Worship.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

St Mary's Catholic Primary School

Leadership

- To develop and embed the role of middle leaders.
- To ensure that children eligible for the Pupil Premium are appropriately supported and make good progress.
- To ensure strategies to support disadvantaged pupils are embedded and further developed in order to maximise their progress.

Teaching and learning

- Improve the % attainment and progress of disadvantaged pupils across the school.
- To continue to improve the quality of teaching so that learning experiences are of consistently high quality for all pupils.
- To enable parents to better support their children's learning at home.
- To raise standards in mathematics focusing on improving pupils' reasoning and problem-solving skills.
- To improve outcomes for children in writing.
- Assessment processes and information tracking systems to be used effectively and consistently across the school.

Outcomes

- To improve progress of high prior attainers, disadvantaged pupils and children's overall progress in reading.
- To narrow the gap in attainment and progress between disadvantaged pupils and other learners.
- To raise standards of attainment and progress for all learners in particular KS1.

Religious Life

- To further develop the extent to which pupils show interest and actively participate in leading collective worship.

St Wulstan's Catholic Primary School

- To embed the Catholic Life of the school through an increased focus on prayer life, collective worship, developing the Catholic environment, implementation of Jesuit values, daily routines and involvement within the wider community.
- To develop the engagement of Academy Committee members in school development.
- To improve standards of attainment and progress in Mathematics focusing on application and greater depth opportunities
- To improve standards of attainment and progress in Writing and Reading with focus on greater depth.
- To improve standards of attainment and progress for disadvantaged and low achievers narrowing the gap between disadvantaged and other pupils
- To raise levels of attendance to above national
- To embed Creative Curriculum to raise standards of foundation subject teaching and learning providing opportunities for developing thinking skills, deeper questioning and application of core skills

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FUNDS HELD AS CUSTODIAN

The Company holds no such funds and does not act as a Custodian Director for any other charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

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

J Griffin
Chair of Trustees



SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Saint Nicholas Owen Catholic Multi Academy Company 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 of Our Lady Fatima Catholic Primary School, 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 Saint Nicholas Owen Catholic Multi Academy Company 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 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Griffin	8	9
J Rowe	7	7
C van Vliet	9	9
D Finucane	8	9
D Harris	8	9
D Kehoe	6	9
S Horan	0	0
P Berry	8	9
B McArdle	8	9
M Millward	8	9
P Parry	9	9
C Piggott	6	9
G Taylor-Smith	8	9
A Harlow	7	9
T Hammond	8	9

Over the period 1st September 2016 to 31st August 2017 no Foundation Directors resigned from the Board but prior to the signing of this report Aaron Harlow resigned on 6th November 2017. The post remains vacant at the time of signing but will be filled in 2017/18 using a targeted skills audit approach. One new appointments to the Board as a Foundation Director was made during the year. Janet Rowe – Ex Deputy Director Diocesan Education Service was appointed on 31st October 2016. She replaced John Polychronakis who resigned in July 2016. Suzanne Horan replaced Terence Hammond as Principal Director on the latter's retirement as Principal of Hagley Catholic High School / Principal Director on 31st August 2017.

Review of Governance – Key findings and outcomes

The Board of Directors is currently undertaking a full review of its committee structure effectiveness alongside a full skills audit of Trustees/Directors. This is not yet completed but it is likely to lead to substantial changes in governance in the year 2017/18.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (continued)

Finance and Audit Committee

This is a sub- committee of the main board.

The purpose of the Finance & Audit Committee is to assist the decision making of the Board of Trustees/Directors by enabling more detailed consideration to be given to the best means of fulfilling the Company's responsibility to ensure sound management of the Company's finances and resources, proper planning, monitoring and probity.

It is also to maintain an oversight of the Company's governance, risk management, internal control and value-for-money framework.

It reports its findings to the Board of Trustees/Directors and to the Accounting Officer as a critical element of the Company's annual reporting requirements.

Any major issues or risks identified from the work of the Committee together with recommended solutions, will be referred to the Board of Trustees/Directors for ratification and inclusion within the Company's Risk Management strategies

The work of the Committee this year in the third year of operation has been centred on long range budgetary forecasting in the light of an evolving financial outlook connected to unfunded cost pressures and delays to the proposed National Funding Formula. It has included the embedding and maintaining of financial controls across all six schools in the multi academy company.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Hammond	8	8
A Harlow	4	8
D Kehoe	5	8
P Parry	7	8
J Rowe	5	6
G Taylor-Smith	3	8
K Wilcox	8	8
D Finucane	2	2
C van Vliet	1	1

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal of Our Lady Fatima Catholic Primary School has responsibility for ensuring that the company 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 company's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the company has delivered improved value for money during the year by:

- Competitive tendering major contracts such as catering and grounds maintenance.
- Challenging providers to give better rates (insurances).
- Comparing prices paid for goods and services across six schools (Service level agreements and larger contracts).
- Reviewing and realignment staffing structures to ensure that they are delivering effective support and pupil progress.
- Utilising secondary school based specialist staff to support primary schools.
- Collaborating with Haybridge High School in the joint provision of post 16 courses.
- Provision of training events for management across all schools relating to the effective long range planning and budgeting.
- Embedding and building the robustness of financial systems and controls.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of company 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 Saint Nicholas Owen Catholic Multi Academy Company for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the company 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 company's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee and Audit 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 DRB Schools and Academies Limited as internal auditor.

The business director reports regularly to the various committees and presents a variety of papers including financial reports.

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

- reviewing the scope and completeness of financial regulations
- testing planned income against actual
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a bi-annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal of Our Lady Fatima Catholic Primary School 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the company 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 Audit Committee and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4 December 2017 and signed on their behalf, by:

J Griffin
Chair of Trustees



C van Vliet
Accounting Officer



SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Saint Nicholas Owen Catholic Multi Academy Company I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



C van Vliet
Accounting Officer

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Saint Nicholas Owen Catholic Multi Academy Company and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 4 December 2017 and signed on its behalf by:



J Griffin
Chair of Trustees

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAINT
NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY**

RESPONSIBILITIES OF TRUSTEES

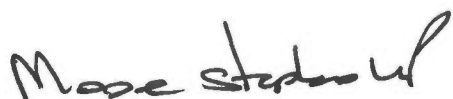
As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 company's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Nicholas Simkins FCA (Senior Statutory Auditor)

for and on behalf of

Moore Stephens LLP

Chartered Accountant and Statutory Auditor

35 Calthorpe Road

Edgbaston

Birmingham

B15 1TS

Date:

4/12/2017.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SAINT
NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Saint Nicholas Owen Catholic Multi Academy Company during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Saint Nicholas Owen Catholic Multi Academy Company and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Saint Nicholas Owen Catholic Multi Academy Company 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 Saint Nicholas Owen Catholic Multi Academy Company and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY
COMPANY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Saint Nicholas Owen Catholic Multi Academy Company's funding agreement with the Secretary of State for Education dated 21 May 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SAINT
NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS
FUNDING AGENCY (continued)**

CONCLUSION

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

Moore Stephens LLP

Moore Stephens LLP

Chartered Accountant and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date:

4/12/2017

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>	
INCOME FROM:						
Donations and capital grants	2	58	-	55	113	<i>126</i>
Charitable activities	3	-	9,731	-	9,731	<i>9,838</i>
Other trading activities	4	436	277	-	713	<i>553</i>
Investments	5	1	-	-	1	<i>2</i>
TOTAL INCOME	495	10,008	55	10,558	10,519	
EXPENDITURE ON:						
Charitable activities		387	10,612	405	11,404	<i>10,866</i>
TOTAL EXPENDITURE	6	387	10,612	405	11,404	10,866
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	108 (353)	(604) 353	(350) -	(846) -	<i>(347)</i> -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(245)	(251)	(350)	(846)	<i>(347)</i>
Actuarial losses on defined benefit pension schemes	22	-	(149)	-	(149)	<i>(1,704)</i>
NET MOVEMENT IN FUNDS		(245)	(400)	(350)	(995)	(2,051)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,454	(4,487)	17,588	14,555	<i>16,606</i>
TOTAL FUNDS CARRIED FORWARD		1,209	(4,887)	17,238	13,560	14,555

The notes on pages 36 to 59 form part of these financial statements.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09174154

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	£000	2016 £000
FIXED ASSETS					
Tangible assets	15		17,046		17,398
CURRENT ASSETS					
Debtors	16	623		1,017	
Cash at bank and in hand		1,658		1,380	
		<u>2,281</u>		<u>2,397</u>	
CREDITORS: amounts falling due within one year	17	(880)		(752)	
NET CURRENT ASSETS			<u>1,401</u>		<u>1,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	22		(4,887)		(4,488)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>13,560</u>		<u>14,555</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	-		1	
Restricted fixed asset funds	18	17,238		17,588	
Restricted income funds excluding pension liability		17,238		17,589	
Pension reserve		(4,887)		(4,488)	
Total restricted income funds			<u>12,351</u>		<u>13,101</u>
Unrestricted income funds	18		1,209		1,454
TOTAL FUNDS			<u>13,560</u>		<u>14,555</u>

The financial statements on pages 33 to 59 were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:



J Griffin
Chair of Trustees

The notes on pages 36 to 59 form part of these financial statements.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>275</u>	<u>(188)</u>
Cash flows from investing activities:			
Interest received		1	2
Purchase of tangible fixed assets		(53)	(77)
Capital grants from DfE/ESFA		55	87
Net cash provided by investing activities		<u>3</u>	<u>12</u>
Change in cash and cash equivalents in the year		278	(176)
Cash and cash equivalents brought forward		<u>1,380</u>	<u>1,556</u>
Cash and cash equivalents carried forward	21	<u><u>1,658</u></u>	<u><u>1,380</u></u>

The notes on pages 36 to 59 form part of these financial statements.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

Saint Nicholas Owen Catholic Multi Academy Company is a private limited company, limited by guarantee, incorporated in England and Wales and domiciled in England.

The company registration number is 09174154 and the registered office is Hagley Catholic High School, Brake Lane, Hagley, Worcestershire, DY8 2XL.

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

1.1 Basis of preparation of financial statements

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

Saint Nicholas Owen Catholic Multi Academy Company constitutes a public benefit entity as defined by FRS 102.

The functional and presentational currency of the company during the year was sterling and the accounts are rounded to the nearest one thousand.

1.2 Going concern

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

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the company which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the company's educational operations, including support costs and those costs relating to the governance of the company appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets, except long leasehold land and leasehold property costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment. Long leasehold property and land are carried at the value on conversion net of depreciation and provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land	-	Over the length of the lease
Long-term leasehold property	-	Shorter of 50 years or length of the lease
Motor vehicles	-	Over 5 years
Fixtures and fittings	-	Over 5 years
Computer equipment	-	Over 3 years

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

1.6 Operating leases

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the company's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the company's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

The company 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 company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.13 Agency arrangements

The multi 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. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

1.14 Fund accounting

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

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

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

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The valuation of land and buildings is an opinion of the 'Fair Value' of the asset for capital accounting purposes. 'Fair Value' is defined as: - 'the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date'. Land and buildings valuation have been undertaken in accordance with the RICS Valuation-Professional Standards 2014.

The academies group of properties are a specialised asset for which there is no general market and therefore have been valued on the basis of Depreciated Replacement Cost, which calculates the cost of constructing a modern equivalent asset, and then depreciates this gross value to allow for the factors of age and obsolescence.

Critical areas of judgement:

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

The main areas where critical accounting judgements are applied and where there is estimation uncertainty are in relation to deferred and accrued income.

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
Donations	58	-	-	58	38
Capital Grants	-	-	55	55	87
Private sponsorship	-	-	-	-	1
	<u>58</u>	<u>-</u>	<u>55</u>	<u>113</u>	<u>126</u>
<i>Total 2016</i>	<u>38</u>	<u>1</u>	<u>87</u>	<u>126</u>	

3. FUNDING FOR COMPANY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
DfE/ESFA grants				
General annual grant	-	9,042	9,042	9,186
Other Dfe/ESFA grants	-	495	495	466
	<u>-</u>	<u>9,537</u>	<u>9,537</u>	<u>9,652</u>
Other government grants				
Local authority grants	-	141	141	133
Special educational projects	-	53	53	53
	<u>-</u>	<u>194</u>	<u>194</u>	<u>186</u>
	<u>-</u>	<u>9,731</u>	<u>9,731</u>	<u>9,838</u>
<i>Total 2016</i>	<u>-</u>	<u>9,838</u>	<u>9,838</u>	

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
Other income	295	-	295	204
Hire of facilities	76	-	76	87
Catering income	65	-	65	33
Parental contributions	-	277	277	229
	<u>436</u>	<u>277</u>	<u>713</u>	<u>553</u>
<i>Total 2016</i>	<u>324</u>	<u>229</u>	<u>553</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
Bank interest received	1	-	1	2
<i>Total 2016</i>	<u>2</u>	<u>-</u>	<u>2</u>	

6. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	<i>Total 2016 £000</i>
Educational operations:					
Direct costs	7,072	-	947	8,019	7,655
Support costs	1,486	576	1,323	3,385	3,211
	<u>8,558</u>	<u>576</u>	<u>2,270</u>	<u>11,404</u>	<u>10,866</u>
<i>Total 2016</i>	<u>8,011</u>	<u>584</u>	<u>2,271</u>	<u>10,866</u>	

SAINT NICHOLAS OWEN CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	<i>Total 2016 £000</i>
Educational operations	8,019	3,385	11,404	10,866
<i>Total 2016</i>	7,655	3,211	10,866	

8. SUPPORT COSTS

	Educational operations £000	Total 2017 £000	<i>Total 2016 £000</i>
Technology costs	155	155	133
Staff development	42	42	60
Recruitment and support	7	7	11
Maintenance of premises and equipment	236	236	255
Cleaning	126	126	114
Rent & rates	43	43	40
Energy costs	126	126	135
Insurance	121	121	100
Security and transport	6	6	7
Catering	249	249	245
Other support costs	338	338	276
Auditors remuneration	16	16	16
Legal and professional fees	54	54	91
Wages and salaries	1,051	1,051	1,049
National insurance	69	69	58
Pension cost	341	341	213
Depreciation	405	405	408
	3,385	3,385	3,211
<i>At 31 August 2016</i>	<i>3,211</i>	<i>3,211</i>	

During the year ended 31 August 2017, the company incurred the following Governance costs:
£70,000 (2016 - £107,000) included within the table above in respect of Educational operations.

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9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	<i>2016</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	405	<i>408</i>
Auditors' remuneration	16	<i>16</i>
Governance Internal audit costs	6	<i>1</i>
Operating lease rentals	28	<i>28</i>
	<u>28</u>	<u><i>28</i></u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	6,490	6,454
Social security costs	525	472
Operating costs of defined benefit pension schemes	1,358	998
	<u>8,373</u>	<u>7,924</u>
Apprenticeship levy	7	-
Supply teacher costs	166	87
Staff restructuring costs	12	-
	<u>8,558</u>	<u>8,011</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	<u>12</u>	<u>-</u>

Including in staff restructuring costs are non-contractual payments totalling £11,760 (2016: £nil). Individually the payments were £7,390 and £4,370.

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

	2017 No.	2016 No.
Teachers	131	127
Administration and support	195	196
Management	20	19
	<u>346</u>	<u>342</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0
In the band £100,001 - £110,000	1	1

The key management personnel of the multi academy company comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £963,161 (2016: £926,908).

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11. CENTRAL SERVICES

Saint Nicholas Owen Catholic Multi Academy Company do not top slice a defined percentage of each constituent academy's GAG funding but share central costs in a transparent and equitable way.

The Directors set an annual Central Services budget for approved centralised arrangements and costs, as part of the normal annual budget setting process. The total net cost of Central Services are then shared equitably amongst all academies within the Company on a pro-rata basis using a per pupil rate.

The per pupil rate for each financial year is calculated as follows:

- The number of funded pupils (Pre and post 16), as set out in the relevant ESFA Annual Funding Statement, for each constituent academy within the company, is added together to arrive at a sum total of funded pupils within Saint Nicholas Owen Catholic Multi Academy Company
- The approved Central Services budget/cost for distribution, for the related financial year, is divided by the sum total of funded pupils to arrive at a per pupil rate.
- The annual charge against each individual academy will be the product of the per pupil rate multiplied by the number of pupils funded in their respective ESFA annual funding statement

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

- External Audit Fees
- Internal Audit Fees
- Accountancy Fees (relating to consolidation of accounts)
- Pensions Returns and audits
- Academy Accounts Return
- PS Financials Licence Costs
- School Improvement Programme
- Central Staff Salaries and associated costs
- Central Office Administration (postal costs, stationery, photocopying etc)
- Directors meeting costs
- A small Directors Discretionary Fund (£10,000 per annum)

The company charges for these services on the following basis:

The per pupil rate for 2016/17, using the formula set out above, equated to £121.17 (2016: £114.56). This represents 2.7% of total GAG funding (2016 2.6%)

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
St Ambrose Catholic Primary School	25	24
Hagley Catholic High School	129	122
St Joseph's Catholic Primary School	26	24
St Mary's Catholic Primary School	25	23
Our Lady Fatima Catholic Primary School	25	24
St Wulstans Catholic Primary School	24	23
	254	240
Total	254	240

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**NOTES TO THE FINANCIAL STATEMENTS
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12. DIRECTORS' REMUNERATION AND EXPENSES

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

		2017	<i>2016</i>
		£000	<i>£000</i>
T Hammond (Principal)	Remuneration	100-105	<i>105-110</i>
	Pension contributions paid	15-20	<i>15-20</i>
C van Vliet (Principal)	Remuneration	55-60	<i>55-60</i>
	Pension contributions paid	5-10	<i>5-10</i>
B McArdle (staff)	Remuneration	50-55	<i>50-55</i>
	Pension contributions paid	5-10	<i>5-10</i>
P Berry (staff)	Remuneration	40-45	<i>40-45</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the year ended 31 August 2017, travel and subsistence expenses totalling £214 were reimbursed or paid directly to 2 Directors (2016 - £169 to 1 Director).

Other related party transactions involving the Directors are set out in note 25.

13. DIRECTOR'S AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,207 (2016 - £3,542).

14. OTHER FINANCE INCOME

		2017	<i>2016</i>
		£000	<i>£000</i>
Interest income on pension scheme assets		48	<i>57</i>
Interest on pension scheme liabilities		(140)	<i>(161)</i>
		(92)	<i>(104)</i>

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15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2016	17,857	28	193	70	18,148
Additions	-	-	26	27	53
At 31 August 2017	<u>17,857</u>	<u>28</u>	<u>219</u>	<u>97</u>	<u>18,201</u>
Depreciation					
At 1 September 2016	636	13	54	47	750
Charge for the year	332	6	40	27	405
At 31 August 2017	<u>968</u>	<u>19</u>	<u>94</u>	<u>74</u>	<u>1,155</u>
Net book value					
At 31 August 2017	<u>16,889</u>	<u>9</u>	<u>125</u>	<u>23</u>	<u>17,046</u>
At 31 August 2016	<u>17,221</u>	<u>15</u>	<u>139</u>	<u>23</u>	<u>17,398</u>

The school land and buildings are leased from the Birmingham Roman Catholic Diocesan Trustees Registered under 125 leases running from 1 October 2014, with the exception of Our Lady Fatima Catholic Primary School whose lease runs for 43 years, with a peppercorn rent being charged. On the basis that the Multi Academy Company leases the land and buildings, rather than merely occupying them under license, it is considered to be appropriate to recognise the schools as assets.

16. DEBTORS

	2017 £000	2016 £000
Trade debtors	9	43
VAT recoverable	301	538
Other debtors	14	6
Prepayments and accrued income	299	430
	<u>623</u>	<u>1,017</u>

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17. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	375	272
Other taxation and social security	132	133
Other creditors	157	130
Accruals and deferred income	216	217
	880	752
	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	86	86
Resources deferred during the year	132	127
Amounts released from previous years	(86)	(86)
	132	127
Deferred income at 31 August 2017	132	127

At the balance sheet date the academy was holding funds received in advance for educational trips and grants relating to the 17/18 academic year.

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General Funds	1,454	495	(387)	(353)	-	1,209
Restricted funds						
General Annual Grant (GAG)	-	9,057	(9,410)	353	-	-
Other DfE/ESFA grants	-	495	(495)	-	-	-
Other government grants	-	141	(141)	-	-	-
Other restricted funds	1	315	(316)	-	-	-
Pension reserve	(4,488)	-	(250)	-	(149)	(4,887)
	<u>(4,487)</u>	<u>10,008</u>	<u>(10,612)</u>	<u>353</u>	<u>(149)</u>	<u>(4,887)</u>
Restricted fixed asset funds						
DfE / ESFA capital grants	325	55	(48)	-	-	332
Inherited funds	17,263	-	(357)	-	-	16,906
	<u>17,588</u>	<u>55</u>	<u>(405)</u>	<u>-</u>	<u>-</u>	<u>17,238</u>
Total restricted funds	<u>13,101</u>	<u>10,063</u>	<u>(11,017)</u>	<u>353</u>	<u>(149)</u>	<u>12,351</u>
Total of funds	<u><u>14,555</u></u>	<u><u>10,558</u></u>	<u><u>(11,404)</u></u>	<u><u>-</u></u>	<u><u>(149)</u></u>	<u><u>13,560</u></u>

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

General Annual Grant

The General Annual Grant (GAG) has been provided by DfE in order to fund the normal running costs of the MAC. During the year, the MAC's GAG expenditure exceeded GAG income and a balance was transferred from the unrestricted funds to cover this deficit. Under the funding agreement with the Secretary of State the MAC was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants

Other DfE/ESFA grants include further grants received from the DfE/ESFA including pupil premium, Insurance and start up grants. All of the income received was fully expensed during the year. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant

Other government grants

Other government grants include grants received from the local authority including SEN funding. All of the income received was fully expensed during the year. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

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18. STATEMENT OF FUNDS (continued)

Other restricted funds

Other restricted funds include any restricted donations, school fund income and other activities whereby the income is to be used for restricted purposes. During the year, the MAC's expenditure exceeded the restricted income received and this deficit was covered by the surplus balance brought forward.

Pension reserve

The restricted pension reserve represents the deficit on the MAC's share of the Local Government Pension Scheme as at 31 August 2017.

Restricted Fixed Asset Fund

Inherited funds represent the carrying value of the assets inherited on conversion less depreciation charged. DfE/ESFA capital grants represent the carrying value of cumulative DfE/ESFA capital grants spent on fixed items less depreciation charged.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total	<i>Total</i>
	2017	<i>2016</i>
	£000	<i>£000</i>
Hagley Catholic High School	(20)	189
Our Lady of Fatima Catholic Primary School	243	240
St Ambrose Catholic Primary School	210	322
St Joseph's Catholic Primary School	183	169
St Mary's Catholic Primary School	325	309
St Wulstan's Catholic Primary School	225	201
Central Services	43	25
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,209	<i>1,455</i>
Restricted fixed asset fund	17,238	<i>17,588</i>
Pension reserve	(4,887)	<i>(4,488)</i>
	<hr/>	<hr/>
Total	13,560	<i>14,555</i>
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit
	£000
Hagley Catholic High School	(20)

The academy has found it difficult to adjust quickly enough to externally driven increases in costs, largely related to staffing, set against the backdrop of years of cash flat GAG funding settlements. Percentage levels of spending on staffing, in spite of staffing numbers/posts decreasing year on year, has consequently risen to unsustainable levels which has largely driven the overspend.

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18. STATEMENT OF FUNDS (continued)

The company is taking the following action to return the academy to surplus:

The company Directors are working very closely with the school's new Principal; its Senior Leadership team and Academy Committee to agree a three-year recovery and stability plan via a multi-disciplinary working party set up for this specific purpose. It is expected that the level of spending reduction required will impact on all areas of school cost. Detailed plans are yet to be finalised.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	<i>Total 2016 £000</i>
Hagley Catholic High School	3,750	689	502	559	5,500	5,473
Our Lady of Fatima Catholic Primary School	713	196	38	233	1,180	1,108
St Ambrose Catholic Primary School	604	98	40	244	986	855
St Joseph's Catholic Primary School	609	117	93	147	966	895
St Mary's Catholic Primary School	706	137	67	175	1,085	1,091
St Wulstan's Catholic Primary School	529	82	69	123	803	756
Central Services	3	168	21	40	232	215
	<u>6,914</u>	<u>1,487</u>	<u>830</u>	<u>1,521</u>	<u>10,752</u>	<u>10,393</u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	17,046	17,046
Current assets	1,209	881	192	2,282
Creditors due within one year	-	(881)	-	(881)
Provisions for liabilities and charges	-	(4,887)	-	(4,887)
	<u>1,209</u>	<u>(4,887)</u>	<u>17,238</u>	<u>13,560</u>

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

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(846)	(347)
Adjustment for:		
Depreciation charges	405	408
Interest received	(1)	(2)
Decrease/(increase) in debtors	394	(389)
Increase in creditors	128	164
Capital grants from DfE and other capital income	(55)	(87)
Defined benefit pension scheme cost less contributions payable	158	(39)
Defined benefit pension scheme finance cost	92	104
Net cash provided by/(used in) operating activities	<u>275</u>	<u>(188)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	1,658	1,380
Total	<u>1,658</u>	<u>1,380</u>

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22. PENSION COMMITMENTS

The company's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council and the West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £127,981 were payable to the schemes at 31 August 2017 (2016 - £120,935) 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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £735,807 (2016 - £720,000).

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22. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £357,048 (2016 - £490,000), of which employer's contributions totalled £263,307 (2016 - £402,000) and employees' contributions totalled £93,741 (2016 - £88,000). The agreed contribution rates for future years are 14.4% to 18.8% for employers and 5.5% to 12.5% for employees. During the year the Multi Academy Company made additional lump sum payments of £174,530 (2016: £50,870).

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.95 %	3.30 %
Rate of increase for pensions in payment / inflation	2.45 %	1.90 %

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

	2017	2016
Retiring today		
Males	21.6 - 22.6 years	23.1 - 23.5 years
Females	24.3 - 25.6 years	25.8 - 25.9 years
Retiring in 20 years		
Males	24.0 - 24.8 years	25.3 - 25.8 years
Females	26.6 - 27.9 years	28.1 - 28.2 years

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	(149)	(159)
Discount rate -0.1%	151	162
Mortality assumption - 1 year increase	166	135
Mortality assumption - 1 year decrease	(163)	(133)

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22. PENSION COMMITMENTS (continued)

The company's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	<i>Fair value at 31 August 2016 £000</i>
Equities	1,755	1,490
Government bonds	83	53
Other bonds	122	143
Property	139	117
Cash and other liquid assets	85	78
Other assets	195	126
	<u>2,379</u>	<u>2,007</u>
Total market value of assets	<u>2,379</u>	<u>2,007</u>

The actual return on scheme assets was £366,000 (2016 - £289,000).

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

	2017 £000	<i>2016 £000</i>
Current service cost	(585)	(363)
Interest income	48	57
Interest cost	(140)	(161)
	<u>(677)</u>	<u>(467)</u>
Total	<u>(677)</u>	<u>(467)</u>

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

	2017 £000	<i>2016 £000</i>
Opening defined benefit obligation	6,495	3,987
Current service cost	585	363
Interest cost	140	161
Employee contributions	93	88
Actuarial (gains)/losses	(391)	1,936
Benefits paid	1	(40)
	<u>6,923</u>	<u>6,495</u>
Closing defined benefit obligation	<u>6,923</u>	<u>6,495</u>

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22. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	2,007	1,268
Interest income	48	57
Actuarial gains/(losses)	(540)	232
Employer contributions	427	402
Employee contributions	93	88
Benefits paid	1	(40)
	2,036	2,007
Closing fair value of scheme assets	2,036	2,007

23. OPERATING LEASE COMMITMENTS

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

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	14	30
Between 1 and 5 years	6	17
	20	47
Total	20	47

24. MEMBERS' LIABILITY

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

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25. RELATED PARTY TRANSACTIONS

Owing to the nature of the company's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the company's financial regulations and normal procurement procedures.

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

26. AGENCY ARRANGEMENTS

The multi academy company distributes 16 - 19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £15,121 and disbursed £12,259 from the fund. An amount of £2,862 is included in other creditors relating to undistributed funds that is repayable to the ESFA.