

Company Registration No. 08440868 (England and Wales)

THE WYTHENSHAW CATHOLIC ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

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THE WYTHENSHAW CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

F Minshall (Resigned 31 August 2016)
J Gretton (Resigned 18 December 2015)
M Flanagan *
C Wilson (Resigned 23 December 2015)
J Speak (Resigned 1 September 2015)
L Kelly *
P Goodstadt (Resigned 2 December 2016)
P Ramsey (Resigned 11 September 2015)
M Sweeney
D Hemington
J Murray #
K O'Connor (Resigned 25 November 2015)
P Ward (Resigned 31 December 2015)
D Roberts
A Moore #
M Fox (Appointed 18 December 2015) #
M Buckley (Appointed 14 March 2016 and resigned 15 September 2016) #
M Higham (Appointed 18 February 2016)
N Johnson (Appointed 11 January 2016)
S Marciniak (Appointed 14 March 2016)
P Adams (Appointed 14 March 2016) #
C Fox (Appointed 1 January 2016)

* members of the finance and general purposes committee

members of the audit committee

Members

D Roberts
M Davies
M Murray
N Johnson

Senior management team

- Head Teacher	F Minshall
- Head Teacher	D Hemington
- Head Teacher	L Kelly
- Head Teacher	C Fox

Company registration number

08440868 (England and Wales)

Principal address

St. Paul's Catholic High School
Firbank Rd
Wythenshawe
Manchester
M23 2YS

Registered office

St. Paul's Catholic High School
Firbank Rd
Wythenshawe
Manchester
M23 2YS

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Lloyds Bank
PO Box 1000
Andover
BX1 1LT

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

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

The Wythenshawe Catholic Academy Trust was incorporated on 12 March 2013 and commenced its activities on transfer of St Paul's Catholic High School, St Anthony's Catholic Primary School and St John Fisher and Thomas More Catholic Primary School from the Local Authority on 1 April 2013. Saint Elizabeth's Catholic Primary School also transferred to the Trust on 1 April 2014.

The Governors are the trustees of The Wythenshawe Catholic Academy Trust and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The School has purchased indemnity insurance to protect the Governors and Officers from claims arising in connection with the Academy's business. The insurance provides unlimited cover on any one claim.

Method of recruitment and appointment or election of Governors

All Directors shall upon their appointment or election give a written undertaking to the Trustees and the Diocesan Bishop to uphold the Object of the Academy Trust.

1. Subject to Articles 48-49 and 63, the Company shall have the following Directors:
 - up to 1 Director appointed under Article 50;
 - a minimum of 5 Foundation Directors, appointed under Article 50A;
 - any Academy Directors appointed under Article 51 or Article 52;
 - any Principals appointed under Article 57A or 57B;
 - the Executive Principal;
 - a minimum of 2 Parent Directors appointed under Articles 53-56;
 - up to 1 Staff Director appointed under Article 56A;
 - any Additional Directors, if appointed under Article 61, 61A or 67A;
 - any Further Directors, if appointed under Article 62 or Article 67A;
 - up to 2 Directors, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement.

No changes to Article 1 shall be made without the consent of the Trustees.

2. The Company may also have any Co-opted Director appointed under Article 58.

The Trust delegates the running of each Academy within the Trust to the Local Governing Body of each Academy.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Governors

Training provided for new Governors depends upon their existing experience and is tailored specifically to the individual. Where necessary, training will be provided on charity, educational, legal and financial matters.

The Chair of Governors, Headteachers and the Senior Leadership team will undertake training and induction of any new Governors. As part of the induction process, all new Governors will be given a briefing on the aims, values and drivers of the Trust. This will include a tour of the facilities and an introduction to staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Mission Statement

United in faith, we are the Wythenshawe Catholic Academy Trust.

We come together as a Catholic family to enlighten minds, enrich souls and become the best people that God wants us to be; through work, service, prayer and fun.

Journeying together with Jesus Christ, we learn to love and love to learn.

Spiritual development is at the core of all we do at Wythenshawe Catholic Academy Trust. We aim to teach and foster the Gospel values of love of God and our neighbour, through our Curriculum and our Chaplaincy events.

The trust has excellent support from the Clergy in the local area and continues to develop close links with our Parishes. Pupils are encouraged to participate fully in Parish activities.

Organisational structure

The Governing Body and the Senior Leadership Team (SLT) are responsible for identifying the risks faced by the Trust, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The Governing Body have assessed the major risks to which the Academy is exposed in particular those relating to the buildings and related facilities, teaching and learning and the operations of the Trust. The Governing Body and the SLT have implemented a Risk Management system which identifies risks and necessary control measures to mitigate risks, both in terms of finance and operations.

Risk management is being embedded in the management of the Trust and will be reviewed by the SLT on a regular basis. Key risks identified are reviewed by the Finance Committee and reported to the Governing Body.

Arrangements for setting pay and remuneration of key management personnel

Each Local Governing Body appoints an external advisor for advice and support on a Headteacher's appraisal. The advisor will consult with the relevant pay committee on the setting of objectives for, and appraisal of, the Headteacher. Objectives are set and reviewed by the 31st December each year. At The Wythenshawe Catholic Academy Trust Performance Management is a key process in school improvement and we believe this process has a significant impact on standards in school and staff performance.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The Academy Trust's object is to advance for the public benefit education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing secondary and primary schools offering a broad and balanced curriculum.

The School Aims are to:

- Teach and foster a Christian perspective in all that it does
- Provide teaching of the highest calibre
- Promote excellence in all areas
- Develop the ability, talents and character of all pupils, enabling them to make their own unique contribution to school life
- To conduct the Academy's Trust business in accordance with the highest standards of integrity, probity and openness
- To provide value for money for the funds expended

Objectives, strategies and activities

- To strengthen the partnership between the catholic schools within the trust in order to improve the standards, the quality of teaching and the quality of the curriculum in each school.
- To ensure that all schools within the Trust operate as efficiently as possible in order to provide a catholic education for all pupils which represents good value for money.

Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Achievements in the year:

- Successful appointment of 2 Lay Chaplain to work across the Trust to enhance the religious and spiritual development of staff and pupils.
- Successful appointment of Social Worker to work across the Trust to support the work of existing staff in providing for our most vulnerable pupils.
- Partnership working across the schools continues effectively in order to improve practice in the following areas: (1) Special Educational Needs (2) Moderation of assessments in English & Maths (3) Headteacher and governor support (4) training for Middle Leaders (5) Finance support for School Business Managers (5) Teach Meet events – sharing good practice in teaching (6) improving transition between primary and secondary school (7) Safeguarding
- A cycle of policies is now established for review and approval.
- The creation of a 5 year development plan for the Trust.

Saint Paul's Catholic High School

The school is in a strategic partnership with a Catholic teaching school and has appointed an interim Executive Head teacher. The school was inspected in January 2015 when weaknesses were identified. However, the school is now making rapid improvements and when re-inspected in May 2016 it had moved from serious weaknesses to 'requires improvement'. 2016 results place the school above national floor targets. 45.7% of students attained A*-C in English and Mathematics with 14.9% gaining full EBacc.

The current progress 8 score -0.31, and attainment 8 is 42.56. The quality of teaching and learning is improving rapidly with 74% lessons being judged as good or outstanding. This represents a 25% improvement from baseline as verified by external quality assurance.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

St Anthony's Catholic Primary School

St. Anthony's is a good school as identified in its last inspection (February 2015). 2016 results indicate it continues to be a good school. From below average starting points 69.3% of pupils achieved a Good Level of Development, an increase of 10.9% on the previous year. In Year 1, phonics assessment 62.9% of children achieved the required standard a decrease of 4.2% from the previous year. This percentage is below the national average of 80.5%.

At KS1 the number of pupils attaining the age related standard in reading was 71.4%, in writing 61.9% and in mathematics 66.7%. Attainment at this level is above local average in reading but below in writing and maths. It is below the national average in all three subjects. 53.6% achieved age related expectations in reading, writing and mathematics combined, below the local average of 58.5% in all three subjects and national average of 60.3%. The difference from national averages has improved in reading but widened in the other subjects and in combined attainment from 2015 to 2016.

At KS2, 55.7% of pupils attained at age related expectations in reading, writing and mathematics above local (49%) and national averages (53%). The difference to national in 2015 has improved. In reading 61.4% attained at age related with 12.5% achieving the higher level of expectation. In writing 84.1% attained at age related with 12.5% achieving at the higher level. In mathematics 70.5% achieved at age related, 20.3% achieving at the higher level. In GPS 72.7% achieved at age related with 19.3% achieving at the higher level. Outcomes at the expected standard are above local in all subjects. They are broadly in line with national averages in GPS, and mathematics but below them in writing.

The head teacher and deputy head teachers know the school well and are clear about actions which need to be taking to bring about rapid school improvement. The school is aware that current outcomes in Years 4, 5 and 6 need to be improved at the expected level particularly for writing and mathematics. The headteacher has introduced a number of tailored interventions to bring about progress.

The SLT has identified pertinent priorities for school improvement which include

1. To improve the progress made by more able pupils in writing and accelerate progress throughout the school
2. Develop the use of assessment and introduce 'Tapestry,' to support evidence based assessment and ensure appropriate challenge for the most able
3. Continue to work with parents and families to maintain and improve attendance and punctuality
4. Conduct a review of SEN through school to ensure that pupils are correctly identified
5. Consider the effectiveness of the use of 'Pupil Premium' and the impact on outcomes for disadvantaged children
6. Review the progress of the seven NQT's in school

St Elizabeth's Catholic Primary School

St. Elizabeth's is a good school as identified in its last inspection (March 2013).

2016 results indicate it continues to be a good school. From below average starting points 73% of pupils achieved a Good Level of Development. The quality of provision in the EYFS is consistently good across both Nursery and Reception, with outcomes improving year on year. In Year 1, phonics assessment 83.3% of children achieved the required standard an increase of 6.6% from the previous year. This percentage is above the national average of 80.5%.

At KS1 the number of pupils attaining the age related standard in reading was 72.4%, in writing 72.4% and in mathematics 72.4%. Attainment at this level is above local averages. It is below the national average in reading, above it in writing and broadly in line in mathematics. 69% achieved age related expectations in reading, writing and mathematics combined, above the local average of 58.5% and national average of 60.3%. The difference from national averages has improved in all three subjects and in combined attainment from 2015 to 2016. Outcomes in all three subjects are above local averages. They are also above national averages in reading and mathematics. The difference in 2016 to national in 2015 shows improvement in all three subjects but particularly in reading.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

SS John Fisher Thomas More

In April 2016 following an OFSTED inspection, St John Fisher and Thomas More Catholic Primary School was judged Inadequate and placed in Special Measures.

Outcomes for 2016 are as follows:

In the EYFS, the percentage of children achieving a good level of development (GLD) has steadily risen over the past three years. In 2016, 55.6% achieved a GLD an increase of 8.9% on the previous year. This percentage is below both the local average (63.4%) and the national average (69.3 %). Overall performance in the prime areas 64.4% is below local averages (71.2%) whilst in specific areas 40% is also below local averages (60.8%).

In the Year 1 phonics assessment 75.6% of children achieved the required standard an increase of 2.9% from the previous year. This percentage is below the local average, 78.5% and national average of 80.5%. 40% of children achieved the required standard in the phonics re-check in Year 2 below the national 62.3%.

At KS1 the number of pupils attaining the age related standard in reading was 60%, in writing 60% and in mathematics 71.1%. Attainment at this level is below local averages and national averages in all three subjects. 51.1% achieved age related expectations in reading, writing and mathematics combined, below the local average of 58.5% and national average of 60.3%. The difference from national averages has widened in reading, writing and combined but has closed in mathematics from 2015 to 2016. Outcomes at the higher standard were, in reading 17.8%, writing 11.1% and mathematics 11.1%. In combined subjects 6.7%. All outcomes in reading and combined subjects are broadly in line with the local averages. Outcomes in writing are above and in mathematics are below.

At KS2 40% of pupils attained at age related expectations in reading, writing and mathematics below local (49%) and national averages (53%). The difference to national in 2015 has widened. In reading 42.5% attained at age related with 12.5% achieving the higher level of expectation. In writing 65% attained at age related with 7.5% achieving at the higher level. In mathematics 70% achieved at age related, 15% achieving at the higher level. In GPS 57.5% achieved at age related with 17.5% achieving at the higher level. Outcomes at the expected standard are below local and national averages in reading, writing and GPS and are broadly in line with them for maths. Outcomes at the higher standard are below local and national averages in all four subjects however combined scores at the higher standards are above national average for all pupils. For progress the rates of expected progress were in reading -3.6, in writing -0.3 and in mathematics 0.4. Progress scores in reading, writing and mathematics are above the floor standards for 2016.

There is evidence that progress from starting points is beginning to improve. Senior leaders have implemented a new system of tests to inform teacher assessments. A pupil premium review has taken place taken place in the summer. The school needs to be more rigorous in the monitoring and evaluation of interventions. Outcomes for pupils require improvement particularly for disadvantaged pupils and boys. Senior leaders must be certain that teacher assessments accurately reflect attainment and progress through school.

Key Priorities

- Raising attainment and progress of all children with a focus on disadvantaged and more able.
- Continuing the quality of teaching, learning and assessment so that it is at least good throughout school.
- Further develop leadership and management at all levels.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

Finance - The key performance indicators reviewed at Trust meetings include financial and quality metrics. The Finance & Resource committee monitors income from the EFA, budgets, forecasts, cash flow and capital expenditure. Financial KPI's form part of the management accounts. Educational KPI's are monitored on an ongoing basis by the SLT and the Teaching and Learning Committee. These include: student attainment & progress across all subjects; the quality of teaching; behaviour statistics; attendance and exclusions.

Education Results - In 2016 due to the unrealistic increased difficulty of the national tests at KS2, schools nationally scored well below the results of previous years. Approximately 50% of pupils' nationally fell below the floor standard set by the government and this decline represented a fall of approximately 60% in the figure of the previous year. The dramatic fall can only be attributed to the unrealistic changes made to tests by the DfE in 2016.

Acknowledging the national problems with testing and assessments in 2016 the Secretary of State for Education has decreed that the results of 2016 are not comparable with the results of previous years and that they therefore must not be compared with previous years.

ST ANTHONY'S				
End of KS2 outcomes	Cohort Size: 88	School actual	National average	Difference: Sch actual & Nat average
% achieving the expected standard	GPS	73	72%	+1
	Reading	61	66%	-5
	Writing	84	74%	+10
	Maths	70	70%	0
	R,W,M (floor 65%)	56	53%	+3
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Progress Score	Reading	-5	Above	
	Writing	-7	Above	
	Maths	-5	Above	
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Average scaled score (Expected standard 100)	GPS	104	-1	
	Reading	103	-2	
	Maths	103	0	

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

ST ELIZABETH'S				
End of KS2 outcomes	Cohort Size: 24	School actual	National average	Difference: Sch actual & Nat average
% achieving the expected standard	GPS	95%	72%	+23
	Reading	73%	66%	+7
	Writing	68%	74%	-6
	Maths	82%	70%	+12
	R,W,M (floor 65%)	64%	53%	+11
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Progress Score	Reading	-5	Above	
	Writing	-7	Above	
	Maths	-5	Above	
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Average scaled score (Expected standard 100)	GPS	104	-2	
	Reading	103	5	
	Maths	103	2	

SS JOHN FISHER THOMAS MORE				
End of KS2 outcomes	Cohort Size: 40	School actual	National average	Difference: Sch actual & Nat average
% achieving the expected standard	GPS	58%	72%	-14
	Reading	43%	66%	-23
	Writing	65%	74%	-9
	Maths	70%	70%	0
	R,W,M (floor 65%)	40%	53%	-13
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Progress Score	Reading	-5	Above	
	Writing	-7	Above	
	Maths	-5	Above	
End of KS2 outcomes		National Floor Standard	Above/Below National Floor Standard	
Average scaled score (Expected standard 100)	GPS	104	-2	
	Reading	103	-5	
	Maths	103	-1	

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Saint Paul's Catholic High School Results

Headlines Summary 2016 results		
KS4 15/16 Exams Report - Last Published: 17/11/2016 02:51:45		
<i>Calculated using the grades counting towards the School Performance. Grades have been grouped with the A*-G grades where appropriate.</i>		
Cohort Summary	Total	Percent
Cohort	175	100
KS2 / Progress Summary	Total	Percent
Average Core KS2 Level Per Student	4c	
Basic Measures	Total	Percent
Students with at least 1 qualification	174	99.4
Basics Level 2 (A*-C in Eng & Mat) *	80	45.7
Progress/Attainment 8	Total	Percent
Average Total Attainment 8	42.57	
Average Attainment 8 Grade	4.26	
Average Total Progress 8	-0.31	
5 A*-C Measures	Total	Percent
Students with 5 x A*-C	81	46.3
Students with 5 x A*-C inc English & Maths	72	41.1
E-Bacc Total Measure	Total	Percent
Students Entered For the E-BACC	84	48
Students in COHORT Achieving the E-BACC	26	14.9
Value Added Total Measure	Total	Percent
Capped8 +EM VA Score	988.442	

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Saint Paul's High School Targets

Headlines Summary Targets		
<i>KS4 16/17 Dept. Targets Report - Last Published: 10/11/2016 10:42:37</i>		
<i>Calculated using the grades counting towards the School Performance. Grades have been grouped with the A*-G grades where appropriate.</i>		
Cohort Summary	Total	Percent
Cohort	153	100
KS2 / Progress Summary	Total	Percent
Average Core KS2 Level Per Student	4b	
Basic Measures	Total	Percent
Students with at least 1 qualification	152	99.3
Basics Level 2 (A*-C in Eng & Mat) *	82	53.6
Progress/Attainment 8	Total	Percent
Average Total Attainment 8	49.39	
Average Attainment 8 Grade	4.94	
Average Total Progress 8	-0.05	
5 A*-C Measures	Total	Percent
Students with 5 x A*-C	116	75.8
Students with 5 x A*-C inc English & Maths	81	52.9
E-Bacc Total Measure	Total	Percent
Students Entered For the E-BACC	40	26.1
Students in COHORT Achieving the E-BACC	26	17
Value Added Total Measure	Total	Percent
Capped8 +EM VA Score	1003.512	

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

Revenue income received in the period relates to grants received from the EFA in the form of the General Annual Grant which is shown as Restricted General Funds in the Statement of Financial Activities. This is the Trust's principal Source of Funding and is shown as restricted funds in the statement of financial activities.

A number of other Grants have been received and these are reflected in the Restricted General Funds in the Statement of Financial Activities. These Grants have enabled the Academy to allocate additional funding for transition activities, purchasing of equipment to support behaviour management, extra-curricular activities, marketing and staff development in line with the Academy Development Plan.

The total income generated by the Trust was £12,870k of which £28k related to the restricted fixed asset fund. Excluding the restricted fixed asset fund, the Trust generated income of £12,842k. From this income, the Trust made a loss before transfers and other recognised gains & losses of £106k.

Reserves policy

The Policy of the Trust is to carry forward a prudent level of resources designed to meet the long term plan and any unforeseen contingencies subject to the levels permitted by the DfE. Currently there are no funds with a deficit.

The governors intend to review the reserve levels of the Trust annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

The Trust held fund balances at 31 August 2016 of £49,231k, comprising £247k of restricted general funds, £52,320k of fixed asset funds, a pension reserve deficit of £4,177k and £841k of unrestricted general funds.

Investment policy and powers

The Trust is currently developing an investment strategy that would allow any surplus funds to be deposited in an interest bearing account with an approved bank. At present this would be dependent on cash flow.

Principal risks and uncertainties

The principal risks are reviewed by the Governors. While the main risk facing the Trust seems to be the competitive marketing of other local schools the numbers on roll have not declined and the popularity among the schools community is strong. The increasing costs of employer contributions to pension schemes are becoming a significant risk to mitigated by prudent future planning.

Plans for future periods

The Trust will:

- Continue to strive to ensure that all students are able to realise their potential in both academic and non-academic terms.
- Continue to encourage and inspire everyone in our community to believe and achieve their best.
- Continue to develop a purposeful environment.
- Continue to keep up to date with new technologies.
- Continue to ensure appropriate access for all.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016


Auditor

In so far as the Governors are aware:

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

A resolution proposing that Wylie & Bisset LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 12 December 2016 and signed on its behalf by:



N Johnson

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the Head Teacher, 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 The Wythenshawe Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
F Minshall	1	8
J Gretton (Resigned 18 December 2015)	0	3
M Flanagan	5	8
C Wilson (Resigned 23 December 2015)	2	3
J Speak (Resigned 1 September 2015)	1	1
L Kelly	8	8
P Goodstadt	5	8
P Ramsey (Resigned 11 September 2015)	0	1
M Sweeney	6	8
D Hemington	8	8
J Murray	7	8
K O'Connor (Resigned 25 November 2015)	0	1
P Ward (Resigned 31 December 2015)	3	3
D Roberts	4	8
A Moore	7	8
M Fox (Appointed 18 December 2015)	5	5
M Buckley (Appointed 14 March 2016)	2	3
M Higham (Appointed 18 February 2016)	1	4
N Johnson (Appointed 11 January 2016)	4	5
S Marciniak (Appointed 14 March 2016)	2	4
P Adams (Appointed 14 March 2016)	3	3
C Fox (Appointed 1 January 2016)	5	5

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

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

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

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

- improving its procurement activities through the use of central framework agreements e.g. procurement of combined trust insurance resulted in a saving of £43k;
- following a detailed tendering process for a minibus and negotiations with suppliers a favourable financial arrangement was arrived at.
- using a rigorous tendering procedure, the procurement of ICT services and subsequent contract management were improved

The MAT has continued to use external Quality Assurance advisers to be employed in the monitoring process of educational standards. The QA advisers use the same Quality Assurance Report format which, in turn, are considered by both the Local Governing Bodies (LGBs) and the Executive Committee. Using the same rubric and format ensures that standards are continually monitored and areas of development are highlighted in order that schools can address these areas of improvements.

Pupil Premium funding is applied as effectively as possible. All interventions, such as one-to-one support, are recorded against each pupil so that attainment and improvement can be readily monitored.

Collaboration continues with 2 chaplains, a social worker and the SFO & SRO employed to work across the MAT.

With regards to academic standards the MAT continues to collaborate on the moderation and standardisation of work in Maths, Reading & Writing. Best classroom practice is shared across the trust enabling improved outcomes for pupils.

The Trust share a specialist advisor who facilitates the sharing of best practice of up to date local and national advice culminating in more effective provision for High Needs pupils

The MAT continues to use a suitably qualified Finance Consultant as its Internal Auditor to ensure that systems are properly scrutinised and that there is objectivity and transparency in the assessment of VFM. The same consultant works in each of the academies so that work is co-ordinated and similarly reported and that commonalities and priorities can easily be identified and communicated to the Audit Committee. All areas of procedures and policies have been scrutinised and recommendations put into practice.

Spending limits are outlined in the MAT's financial procedures and have been reviewed by the Executive Committee. These will continue to be reviewed in light of recommendations of the Internal Auditor and the EFA. Procurement of an Asset Management System for all academies has enabled the MAT to have an up to date and reliable information system with regard to all the trust assets.

One of the academies within the trust have been successful in the bidding process of EFA Capital Grants of £124k. The grant was to refurbish existing and replace old outdated toilets and sinks creating a safer and more attractive toilet/cloakroom area.

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the system of internal control

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

Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

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

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

The board of governors has considered the need for a specific internal audit function and has decided to appoint an external consultant Ray Smith from Education Finance Consultancy to review internal controls.

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

Testing of:

- Payroll systems
- Purchase systems
- Procurement systems
- Control accounts/bank reconciliation
- Fixed asset register systems
- Income processes
- Budget planning
- Budget monitoring and reporting procedures
- Committee minutes procedures

On a termly basis the auditor reports to the board of governors through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The academy trust can confirm the appointed internal auditor delivered the scheduled work as planned.

During the reviews there had been some evidence of a lack of appropriate systems in place in regards to appointments of staff. Improved procedures were introduced during the year.

There was also evidence of some lack of control over individual budget lines (under/overspends). This was addressed subsequently by a more detailed reporting mechanism and challenged by Finance & Resource Committee.

Procurement of some services was not always subject to effective value for money exercise. More stringent processes were introduced.

It was found that there were inadequate controls in place over physical assets. New software was purchased and associated procedures introduced and necessary training undertaken.

Review of effectiveness

As accounting officer the Head Teacher 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 responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of governors on 12 December 2016 and signed on its behalf by:



L Kelly



N Johnson

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

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

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A review of governance took place which resulted in the removal of the Local Governing Body of one of the academies within the Trust and an Interim Management Board is now in place.



L Kelly
Accounting Officer

12 December 2016

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who act as trustees for The Wythenshawe Catholic Academy Trust and are also the directors of The Wythenshawe Catholic Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:


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

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

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 12 December 2016 and signed on its behalf by:


N Johnson

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE WYTHENSHAW CATHOLIC ACADEMY TRUST

We have audited the accounts of The Wythenshawe Catholic Academy Trust for the year ended 31 August 2016 set out on pages 24 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 19, the Governors, who are also the directors of The Wythenshawe Catholic Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE WYTHENSHAW CATHOLIC ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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



Ross McLauchlan BAcc CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Dated: 13 December 2016

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE WYTHENSHAWE CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 01 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Wythenshawe Catholic Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Wythenshawe Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Wythenshawe Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 26th March 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

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

The work undertaken to draw to our conclusion includes:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

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 period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Ross McLauchlan BAcc CA
Reporting Accountant
Wylie & Bisset LLP

Dated: 12 December 2016

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	3,341	-	-	3,341	7,047
Charitable activities:						
- Funding for educational operations	5	115,782	12,386,600	28,052	12,530,434	12,472,861
Other trading activities	3	336,376	-	-	336,376	235,054
Investments	4	277	-	-	277	236
Total income and endowments		455,776	12,386,600	28,052	12,870,428	12,715,198
Expenditure on:						
Charitable activities:						
- Educational operations	7	548,126	12,400,702	963,054	13,911,882	13,774,934
Total expenditure	6	548,126	12,400,702	963,054	13,911,882	13,774,934
Net income/(expenditure)		(92,350)	(14,102)	(935,002)	(1,041,454)	(1,059,736)
Transfers between funds		(40,158)	(202,195)	242,353	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(1,837,000)	-	(1,837,000)	(126,000)
Net movement in funds		(132,508)	(2,053,297)	(692,649)	(2,878,454)	(1,185,736)
Reconciliation of funds						
Total funds brought forward		973,008	(1,876,530)	53,012,783	52,109,261	53,294,997
Total funds carried forward		840,500	(3,929,827)	52,320,134	49,230,807	52,109,261

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£	£	£	£
Income and endowments from:					
Donations and capital grants	2	7,047	-	-	7,047
Charitable activities:					
- Funding for educational operations	5	59,341	12,211,607	201,913	12,472,861
Other trading activities	3	235,054	-	-	235,054
Investments	4	236	-	-	236
Total income and endowments		301,678	12,211,607	201,913	12,715,198
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	12,827,454	947,480	13,774,934
Total expenditure	6	-	12,827,454	947,480	13,774,934
Net income/(expenditure)		301,678	(615,847)	(745,567)	(1,059,736)
Transfers between funds		(54,249)	(91,800)	146,049	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(126,000)	-	(126,000)
Net movement in funds		247,429	(833,647)	(599,518)	(1,185,736)
Reconciliation of funds					
Total funds brought forward		725,579	(1,042,883)	53,612,301	53,294,997
Total funds carried forward		973,008	(1,876,530)	53,012,783	52,109,261

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11	52,320,134		53,012,783	
Current assets					
Debtors	12	469,220		727,920	
Cash at bank and in hand		1,146,723		1,148,158	
		<u>1,615,943</u>		<u>1,876,078</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(528,270)		(734,600)	
Net current assets			1,087,673		1,141,478
Net assets excluding pension liability			53,407,807		54,154,261
Defined benefit pension liability	16		(4,177,000)		(2,045,000)
Net assets			<u>49,230,807</u>		<u>52,109,261</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			52,320,134		53,012,783
- Restricted income funds			247,173		168,470
- Pension reserve			(4,177,000)		(2,045,000)
Total restricted funds			<u>48,390,307</u>		<u>51,136,253</u>
Unrestricted income funds	14		840,500		973,008
Total funds			<u>49,230,807</u>		<u>52,109,261</u>

The accounts set out on pages 24 to 43 were approved by the board of governors and authorised for issue on 12 December 2016 and are signed on its behalf by:

N Johnson

Company Number 08440868

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Net cash inflow/(outflow) from operating activities	18	240,641	(147,601)
Cash flows from investing activities			
Investment income	277	236	
Capital grants received	28,052	201,913	
Payments to acquire tangible fixed assets	(270,405)	(347,962)	
Net cash flow from capital activities		<u>(242,076)</u>	<u>(145,813)</u>
Increase/(decrease) in cash		<u><u>(1,435)</u></u>	<u><u>(293,414)</u></u>

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Wythenshawe Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Wythenshawe Catholic Academies Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The only FRS 102 transition adjustment required was for the change of measurement of net finance cost on the defined benefit pension plan as explained below.

The net pension finance cost recognised within net income/expenditure in the Statement of Financial Activities for the year ended 31st August 2015 under the previous UK GAAP was the net of the expected return on pension plan assets and the interest on pension liabilities. FRS102 requires the recognition within net income/(expenditure) of a net interest cost, calculated by multiplying the net plan obligations by the market yield on high quality corporate bonds (the discount rate applied). The effect of the change has been to increase pension costs within charitable expenditure by £29k, and therefore increase net expenditure for the year from £93k as previously reported to £122k. The actuarial loss has decreased by £29k meaning that the net movement in funds remains unchanged at (£136k). The change has had no effect on net assets as the measurement of the net defined benefit plan obligation has not changed.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

Capital grants are recognised 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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	2% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of financial activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

1.8 Taxation

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

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, 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 are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency & Department for Education.

1.11 Critical accounting estimates and areas of judgement

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Other donations	3,341	-	3,341	7,047

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	200,664	-	200,664	101,359
Catering income	135,712	-	135,712	133,695
	336,376	-	336,376	235,054

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	277	-	277	236

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	10,516,240	10,516,240	10,027,420
Capital grants	-	25,277	25,277	201,913
Other DfE / EFA grants	-	1,148,566	1,148,566	1,527,239
	-	11,690,083	11,690,083	11,756,572
Other government grants				
Local authority grants	-	595,004	595,004	496,821
Other grants	-	129,565	129,565	5,867
	-	724,569	724,569	502,688
Other funds				
Other incoming resources	115,782	-	115,782	213,601
Total funding	115,782	12,414,652	12,530,434	12,472,861

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	8,055,157	-	815,713	8,870,870	8,889,741
- Allocated support costs	1,587,755	1,302,807	2,150,450	5,041,012	4,885,193
	9,642,912	1,302,807	2,966,163	13,911,882	13,774,934
Total expenditure	9,642,912	1,302,807	2,966,163	13,911,882	13,774,934

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases		
- Other	22,964	25,212
Fees payable to auditor		
- Audit	10,400	10,400

Central services

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

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs				
Teaching and educational support staff costs	-	7,936,381	7,936,381	7,823,205
Educational supplies and services	-	752,143	752,143	910,068
Examination fees	-	63,570	63,570	51,065
Staff development	-	118,776	118,776	105,403
	-	8,870,870	8,870,870	8,889,741
Allocated support costs				
Support staff costs	-	1,587,755	1,587,755	1,516,251
Depreciation	-	963,054	963,054	947,480
Maintenance of premises and equipment	-	339,753	339,753	215,711
Cleaning	-	70,701	70,701	83,723
Energy costs	-	216,146	216,146	229,972
Rent and rates	-	139,100	139,100	146,282
Insurance	-	157,980	157,980	180,880
Security and transport	-	7,987	7,987	8,254
Catering	548,126	-	548,126	550,455
Interest and finance costs	-	80,000	80,000	65,000
Other support costs	-	930,410	930,410	941,185
	548,126	4,492,886	5,041,012	4,885,193
Total costs	548,126	13,363,756	13,911,882	13,774,934

8 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2016 Number	2015 Number
Teachers	122	114
Administration and support	124	127
	246	241

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs	(Continued)	
Costs included within the accounts:	2016	2015
	£	£
Wages and salaries	6,952,454	6,874,527
Social security costs	537,602	498,207
Other pension costs	1,376,728	1,313,371
	<u>8,866,784</u>	<u>8,686,105</u>
Supply teacher costs	442,352	653,351
Staff development and other staff costs	118,776	105,403
	<u>9,427,912</u>	<u>9,444,859</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2016	2015
	Number	Number
£60,001 - £70,000	9	8
£70,001 - £80,000	3	4
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1

9 Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, no travel and subsistence payments were reimbursed.

The value of Governors' remuneration was as follows:

D Hemington (Head Teacher) £80,001 - £85,000
 L Kelly (Head Teacher) £80,001 - £85,000
 F Minshall (Head Teacher) £110,001 - £115,000
 P Ward (Head Teacher) £35,001 - £40,000
 C Fox (Head Teacher) £65,001 - £70,000

Other related party transactions, involving the Governors are set out within the related parties note (Note 20).

10 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was £57,491 (2015: £100,820).

THE WYTHENSHAWE CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	54,370,339	96,934	69,550	54,536,823
Additions	234,706	28,052	7,647	270,405
At 31 August 2016	54,605,045	124,986	77,197	54,807,228
Depreciation				
At 1 September 2015	1,477,819	32,311	13,910	1,524,040
Charge for the year	905,953	41,662	15,439	963,054
At 31 August 2016	2,383,772	73,973	29,349	2,487,094
Net book value				
At 31 August 2016	52,221,273	51,013	47,848	52,320,134
At 31 August 2015	52,892,520	64,623	55,640	53,012,783

The land and buildings of The Wythenshawe Catholic Academy Trust, which are occupied under a licence with the Diocese of Shrewsbury, are included within fixed assets. Treatment of church academy assets within academy accounts is currently under review nationally, and as such the treatment may be revised in the future to ensure the academy remains in line with national church and academy policy.

12 Debtors

	2016 £	2015 £
Other debtors	91,877	262,649
Prepayments and accrued income	377,343	465,271
	469,220	727,920

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	134,668	172,217
Other taxation and social security	82,684	99,264
Other creditors	105,000	187,281
Accruals and deferred income	205,918	275,838
	528,270	734,600

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	168,470	10,516,240	(10,235,342)	(202,195)	247,173
Other DfE / EFA grants	-	1,148,566	(1,148,566)	-	-
Other government grants	-	721,794	(721,794)	-	-
	<u>168,470</u>	<u>12,386,600</u>	<u>(12,105,702)</u>	<u>(202,195)</u>	<u>247,173</u>
Funds excluding pensions	168,470	12,386,600	(12,105,702)	(202,195)	247,173
Pension reserve	(2,045,000)	-	(295,000)	(1,837,000)	(4,177,000)
	<u>(1,876,530)</u>	<u>12,386,600</u>	<u>(12,400,702)</u>	<u>(2,039,195)</u>	<u>(3,929,827)</u>
Restricted fixed asset funds					
DfE / EFA and other capital grants	72,281	28,052	-	242,353	342,686
Inherited fixed asset fund	52,940,502	-	(963,054)	-	51,977,448
	<u>53,012,783</u>	<u>28,052</u>	<u>(963,054)</u>	<u>242,353</u>	<u>52,320,134</u>
Total restricted funds	<u>51,136,253</u>	<u>12,414,652</u>	<u>(13,363,756)</u>	<u>(1,796,842)</u>	<u>48,390,307</u>
Unrestricted funds					
General funds	<u>973,008</u>	<u>455,776</u>	<u>(548,126)</u>	<u>(40,158)</u>	<u>840,500</u>
Total funds	<u>52,109,261</u>	<u>12,870,428</u>	<u>(13,911,882)</u>	<u>(1,837,000)</u>	<u>49,230,807</u>

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

General Annual Grant Funds

Under the funding agreement with the Secretary of State, the academy trust must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants

Comprise additional funding received for furtherance of education, which must be used in accordance with specific terms of each grant.

Other government grants

Comprise additional funding received for furtherance of education, which must be used in accordance with specific terms of each grant

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

(Continued)

Analysis of academies by fund balance

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
St Anthony's Catholic Primary School	609,716
St Paul's Catholic High School	(3,608)
St Elizabeth's Catholic Primary School	253,537
St John Fisher and Thomas More Catholic Primary School	108,769
Trust	119,260
Funds excluding fixed asset fund and pensions reserve	1,087,673
Restricted fixed asset fund	52,320,134
Pension reserve	(4,177,000)
Total funds	49,230,807

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Anthony's Catholic Primary School	1,940,698	327,991	222,991	730,253	3,221,933
St Paul's Catholic High School	4,114,266	803,312	504,232	1,124,414	6,546,224
St Elizabeth's Catholic Primary School	656,976	119,420	93,751	223,556	1,093,703
St John Fisher and Thomas More Catholic Primary School	1,224,441	187,317	113,514	411,979	1,937,251
	<u>7,936,381</u>	<u>1,438,040</u>	<u>934,488</u>	<u>2,490,202</u>	<u>12,799,111</u>

15 Deferred income

	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	95,065	122,357
Deferred income at 1 September 2015	122,357	65,500
Released from previous years	(122,357)	(65,500)
Amounts deferred in the year	95,065	122,357
Deferred income at 31 August 2016	<u>95,065</u>	<u>122,357</u>

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 August 2014.

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

Teachers' Pension Scheme

Introduction

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

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

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

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £726,000 (2015: £579,000).

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.1% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £446,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	436,000	346,000
Employees' contributions	138,000	121,000
Total contributions	<u>574,000</u>	<u>467,000</u>

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4%	3.8%
Rate of increase for pensions in payment	2.1%	2.6%
Discount rate	2.0%	3.7%
Expected Return on Assets	2.0%	3.7%

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations	(Continued)	
The academy trust's share of the assets in the scheme	2016	2015
	Fair value	Fair value
	£	£
Equities	4,238,000	3,181,000
Bonds	1,000,000	794,000
Cash	294,000	176,000
Property	353,000	264,000
	<u>5,885,000</u>	<u>4,415,000</u>
	<u>940,000</u>	<u>95,000</u>
Actual return on scheme assets - gain/(loss)		
	2016	2015
	£	£
Current service cost (net of employee contributions)	215,000	564,000
Net interest cost	80,000	65,000
	<u>215,000</u>	<u>564,000</u>
	<u>80,000</u>	<u>65,000</u>
Changes in the present value of defined benefit obligations		2016
		£
Obligations at 1 September 2015		6,460,000
Current service cost		649,000
Interest cost		253,000
Employee contributions		138,000
Actuarial loss		2,604,000
Benefits paid		(44,000)
Plan introductions, benefit changes, curtailments and settlements		2,000
		<u>10,062,000</u>
At 31 August 2016		<u>10,062,000</u>
Changes in the fair value of the academy trust's share of scheme assets		2016
		£
Assets at 1 September 2015		4,415,000
Interest income		173,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		767,000
Employer contributions		436,000
Employee contributions		138,000
Benefits paid		(44,000)
		<u>5,885,000</u>
At 31 August 2016		<u>5,885,000</u>

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations (Continued)

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	52,320,134	52,320,134
Current assets	840,500	775,443	-	1,615,943
Creditors falling due within one year	-	(528,270)	-	(528,270)
Defined benefit pension liability	-	(4,177,000)	-	(4,177,000)
	<u>840,500</u>	<u>(3,929,827)</u>	<u>52,320,134</u>	<u>49,230,807</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net income	(1,041,454)	(1,059,736)
Capital grants and similar income	(28,052)	(201,913)
Investment income	(277)	(236)
Defined benefit pension costs less contributions payable	215,000	388,000
Defined benefit pension finance costs/(income)	80,000	65,000
Depreciation of tangible fixed assets	963,054	947,480
(Increase)/decrease in debtors	258,700	493,714
Increase/(decrease) in creditors	(206,330)	(779,910)
Net cash inflow/(outflow) from operating activities	<u>240,641</u>	<u>(147,601)</u>

19 Commitments under operating leases

At 31 August 2016 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
- Within one year	19,209	20,505
- Between two and five years	33,577	52,239
	<u>52,786</u>	<u>72,744</u>

THE WYTHENSHAW CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Related party transactions

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

No related party transactions took place in the period of account other than certain Trustees' remuneration already disclosed in note 9.

21 Members' liability

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

