

Registered number: 08924383 (England and Wales)

ST. OSWALD'S CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

ST. OSWALD'S CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Rt Rev T P Drainey
J M Miller
Ver Rev Canon G Robinson

Directors

J M Miller, Chair¹
M Carey (resigned 3 February 2016)
T Cramphorn (resigned 31 August 2016)
J M Edmends¹
H Gallacher¹
Z S Hammond (appointed 1 September 2016)
P J M Hanrahan, Head Teacher and Accounting Officer until 31 August 2016
(resigned 31 August 2016)¹
B A Hewitt (resigned 31 July 2016)
N L Jamalizadeh, Head Teacher and Accounting Officer from 1 September 2016
C A Ruddy, Head Teacher
M B Ryan, Head Teacher
R I Sim¹
L A Wilson M.B.E.¹

¹ Member of the Audit Committee

Company registered number

08924383

Company name

St. Oswald's Catholic Academy Trust

Principal and registered office

St Peter's Catholic College of Maths and Computing
Normanby Road
South Bank
Middlesbrough
TS6 6SP

Senior management team

N L Jamalizadeh, Head Teacher, St. Margaret Clitherow's Catholic Voluntary Primary Academy
C McNicholas, Deputy Head Teacher, St. Margaret Clitherow's Catholic Voluntary Primary Academy
P J M Hanrahan, Head Teacher, St. Peter's Catholic Voluntary Academy
S Bell, Deputy Head Teacher, St. Peter's Catholic Voluntary Academy
C A Ruddy, Head Teacher, St. Mary's Catholic Voluntary Primary Academy
L Phelps, Deputy Head Teacher, St. Mary's Catholic Voluntary Primary Academy
M B Ryan, Head Teacher, St Gabriel's Catholic Voluntary Primary Academy
K Giles, Deputy Head Teacher, St Gabriel's Catholic Voluntary Primary Academy
L Davies, Director of Business and Finance

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
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FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

National Westminster Bank Plc
First floor
Dunedin House
Columbia Drive
Stockton-on-Tees
TS17 6BJ

ST. OSWALD'S CATHOLIC ACADEMY TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Directors' report, and a Directors' report under company law.

St. Oswald's Catholic Academy Trust was incorporated on 9 March 2014 with the agreement of the Diocese of Middlesbrough. It operates 3 primary academies and 1 secondary academy with a combined pupil capacity of 1,304 and had a roll of 1,250 in the school census on January 2016 (including nursery children on roll)

Primary	St. Margaret Clitherow's Catholic Voluntary Academy	306
	St. Gabriel's Catholic Voluntary Academy	227
	St. Mary's Catholic Voluntary Academy	192
Secondary	St. Peter's Catholic Voluntary Academy	525

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is specifically restricted as set out in the articles of association:

- For the public benefit, the establishment, maintaining, carrying on, managing and developing in the United Kingdom of Catholic schools for the advancement of the Catholic religion designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto, including any trust deed governing use of land used by an academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.
- To promote for the benefit of individuals living in the areas served by the academies and surrounding area who have need by reason for their age, infirmity or disability, financial hardship or social and economic circumstances, or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of said individuals.

Within the context of the object detailed above St. Oswald's Catholic Academy Trust provides education for children of different abilities between the ages of 3 and 16.

The funding agreement with the Secretary of State for Education specifies, amongst other things, the basis for admitting students to each of the academies, the catchment area from which the children are drawn, and that the curriculum should comply with the substance of the national curriculum, with emphasis on a Catholic education.

The mission statement adopted by the academy trust reflects the aims and object of the trust and is evident in all four academies:

Christ Be Our Light

Our Catholic family of schools is committed to living and promoting Gospel values.

Through mutual support and co-operation we strive to foster the spiritual, physical, emotional and academic development of children and young people entrusted to our care where each person is valued as an individual.

We aim for excellence in all we do.

The vision of the trust is to create a strong family of outstanding Catholic schools.

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities

The academy trust's main objectives are encompassed in its mission statement (as above). The main objectives during the year ended 31 August 2016 are summarised below:

- Develop and strengthen transition arrangements across the trust;
 - Diminishing the difference in achievement of children eligible for Pupil Premium and that of their peers;
 - Develop and establish a CPD programme that matches the needs, capacity and skills of all staff across the trust, delivered through promotion of school to school support and directed training supported through the Raising Achievement Board;
 - Sharing of data to show progress of all children in the trust
- In addition each academy has an individual plan which aligns with corporate objectives but is specific to their academy and sets out the activities planned to achieve the objectives, with associated cost implications and success criteria clearly defined to assess progress towards achieving the objectives.

The activities described below have been undertaken with the intention of providing the highest quality of Catholic education in the public sector for students between the ages of 3 and 16:

- Head Teachers meet at least monthly throughout the year to share data and plan/implement strategies and operating policies to eradicate any weaknesses
- the Raising Achievement Board led by Deputy Head Teachers meets regularly to discuss data and the implementation of plans/strategies intended to raise achievement and improve teaching and learning.
- Head Teachers continue to promote partnerships between subject leaders to share good practice/pedagogy and moderate teacher assessments
- Directors and Head Teachers evaluate performance data to inform planning and direct school to school support
- Directors continue to employ an attendance officer to improve attendance and punctuality at all academies
- Head Teachers work together to increase opportunities to the children for shared spirituality experiences

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Progress measures for primary schools

The national average for progress is 0. If the figure below is 0 then pupils in this school do about as well as pupils in other schools nationally.

If the figures are positive then pupils at the school do better (on average) than pupils in other schools with a similar starting point.

If the figures are negative then pupils at the school do worse (on average) than pupils in other schools with similar starting point.

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

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Key financial performance indicators

Educational Performance and Outcomes

KPI	St. Gabriel's	St. Margaret Clitherow's	St. Mary's
Ofsted rating	Good	Outstanding	Outstanding
Reading	3.09%	4.79%	-0.07%
Writing	0.91%	3.68%	2.52%
Maths	1.14%	3.02%	3.66%
Attendance	96.2%	94.7%	96.1%

KPI	St. Peter's
Ofsted rating	Good
Pupils achieving grade C or above in Maths and English GCSE's	51%
Attendance	94.8%

Financial Performance and Outcomes

KPI	St. Gabriel's	St. Margaret Clitherow's	St. Mary's	St. Peter's
Total income per pupil	£4,879	£4,765	£6,018	£6,462
Total GAG income per pupil	£3,506	£3,399	£4,285	£5,252
Staff cost per pupil	£3,123	£3,507	£3,682	£4,806
Total costs per pupil	£4,419	£4,627	£4,990	£6,051
Staff costs as % of total costs	71%	76%	74%	79%
Staff costs as % of total income	64%	74%	61%	77%
Pupil to teacher ratio	13	20	11	15
Net current assets/income	0.16	0.10	0.41	0.14

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

FINANCIAL REVIEW

Going concern

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

Financial report for the period

Most of the academy trusts income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/EFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

There is no additional regular income from other funding streams.

During the year ended 31 August 2016, total expenditure of £6,864,000 was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £325,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2016 the net book value of fixed assets was £1,690,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £2,259,000 recognised on the balance sheet.

The academy trust held fund balances at 31 August 2016 of £696,000 comprising of £115,000 of restricted funds and £581,000 of unrestricted funds.

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

FINANCIAL REVIEW (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. In addition the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

The Directors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

All identified risks are listed and categorised in the academy trust's risk register. As of March 2016 the trust identified six possible risks all of which were assessed as having moderate outcome and required no specific attention.

Reserves policy

The academy trust does not hold any endowment funds. It does hold restricted and unrestricted funds (the attached financial statements detail these funds)

- To provide funds which can be designated to specific areas such as asset management and to meet improvement priorities which require significant outlay
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by the Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £556,000 this is considered sufficient to cover one month's operating costs.

The academy trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £ 581,000 (see note 16) and is therefore considered to be sufficient.

Investments policy

The academy trust invests surplus funds through high interest money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

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DIRECTORS' REPORT (continued)
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association and Articles of Association are the primary governing document of the academy trust. The Directors of St. Oswald's Catholic Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as St. Oswald's Catholic Academy Trust. Details of the Directors who served during the year are included in the Reference and administrative details on pages 1 and 2.

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.

Method of recruitment and appointment or election of Directors

As provided for in the articles the composition of the board may comprise 12 Directors in total:- 1 appointed by members, at least 3 appointed by the Diocesan Bishop, 4 academy directors (the Chair of each local management board) and 4 Head Teachers (of each academy within the trust).

The term of office for any Director is four years, save that this time limit shall not apply to the chairs and Head Teachers and they will remain in post for as long as they remain in office. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

All directors upon appointment or election shall give a written undertaking to the Directors and Diocesan Bishop to uphold the object of the academy trust.

In the event of a vacancy arising on the board Directors will seek to recruit a person with relevant and appropriate skills which, when compared alongside the skills of existing Directors, ensure that the board has a collective skill set to best deliver the role and duties of the board.

Policies and procedures adopted for the induction and training of Directors

The academy trust aims to ensure that all Directors have access to relevant training which will develop their knowledge and skills to assist in carrying out their duties. For this purpose Directors are required to complete a skills audit at least annually to identify and target training requirements. In addition to the annual programme of training available through the Diocese of Middlesbrough a service level agreement is procured from Redcar and Cleveland School and Governor Support Service which allows access to comprehensive training and support. As and when required bespoke training is sought on specific issues. For example Directors commissioned performance planning training to further inform the direction of their work as a trust.

Training and induction provided for new Directors depends on their existing experience. At a minimum they have access to the training described above, are given a tour of the academies and are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only one or two Directors a year, induction tends to be done informally and is tailored specifically to the individual.

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DIRECTORS' REPORT (continued)
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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Pay policy for key management personnel

The Directors determine the pay and remuneration for persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly. In the case of St. Oswald's Catholic Academy Trust key personnel of this nature are listed below:

Director of Finance – Annual salary was determined on appointment having researched the remuneration of similar posts within multi-academy trusts and in accordance with the requirements of the role. Any salary review would be considered on request by the postholder.

Head Teachers and senior leaders of each academy – Annual salaries determined in accordance with the provisions of the School Teachers Pay and Conditions Document (STPCD). Pay is reviewed at least annually to reflect any changes to the STPCD and in accordance with the pay policy agreed by Directors.

Directors – No Director receives payment for their role on the board.

Organisational structure

The academy trust has three tiers of governance as described below:

Members – Responsible for overseeing the operation of the company. Decisions are limited to the appointment of a Director (if required) and making changes to the articles of association.

Directors – Responsible for making strategic decisions about the day to day running of the academy trust and its academies. Directors comply with duties required under charity law and are also directors of the company so in addition comply with company law. Whilst retaining overall responsibility for the strategic management of the trust the Directors have established a local management board for each of the four academies within the trust to delegate specific functions and decision-making powers. The powers conferred upon the local management board are clearly defined a scheme of delegation.

Local Governors – The responsibilities and terms of reference for local management boards are clearly set out in a scheme of delegation, with duties including the requirement to:

- have a monitoring role in connection with the academy;
- consider budget monitoring information and make recommendations to the Head Teacher of the academy in relation to annual budget proposals and any potential overspend
- govern admissions and appoint a committee to apply admissions criteria in accordance with statutory guidance and the admissions code of practice, and with due regard to any locally agreed fair access protocols, and appoint the chair of the local management board and a Head Teacher from within the academy trust as proposers in any admissions appeals;
- govern exclusions in accordance with statutory guidance and all associated legislation;
- support the Head Teacher in recruitment and selection, grievance, disciplinary and other processes in relation to staff management, where appropriate
- monitor and be accountable for standards and report at least annually to the Directors;
- set their own policy and procedures, where appropriate.

With the exception of Director of Finance there are no executive officers appointed within the trust.

The Directors have appointed for each academy within the trust a Head Teacher responsible for the day to day management of the academy. The Head Teacher and local management board determine an appropriate management structure for their academy, which aims to devolve responsibility and encourage involvement in decision making at all levels.

The role of Accounting Officer is undertaken by one of the four Head Teachers employed by the trust.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Related Parties and other Connected Charities and Organisations

The academy trust chooses to maintain and develop relationships with local networks of schools, as described below:

Primary schools – Meet with the local cluster of primary schools in the west of the local authority and with Aspire Learning Partnership, a co-operative learning trust made up of eight primary schools within that cluster.

Secondary school – The secondary school is part of the Education Improvement Partnership, a collaborative arrangement for all secondary schools and further education establishments within the Borough of Redcar and Cleveland, and CASH, a collaborative arrangement of all secondary schools in the Diocese of Middlesbrough.

All four primary schools and the secondary school within the trust are members of Redcar and Cleveland Catholic Head Teachers (RACCHT).

The trust also works closely with the Diocese of Middlesbrough to offer support, advice and training for all staff within the trust.

The main purpose of the relationships is to share good practice for improving learning outcomes. The relationships do not impact on the trust's operating policies and do not require any ongoing financial commitment other than service level agreements which local governors may choose to enter into for specific services. Further details are stated in Note 21 to the Financial Statements.

Directors' indemnities

The academy trust has entered into the Department for Education's Risk Protection Arrangement (RPA) to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 12.

PLANS FOR FUTURE PERIODS

Future developments

Directors make provision for forward planning to achieve the object of the company and identified objectives, having reflected on past experience and the overall progress achieved towards meeting medium and long term objectives. Directors are also informed by reviews carried out by the Diocese of Middlesbrough on the wider provision of Catholic education in the Diocese.

Future plans have been placed in three categories:

Governance

- To review the governance structure to maximise effectiveness
- To review performance procedures for Directors, local governors and key personnel across the trust
- To develop a long term vision and business plan

Teaching and Learning

- To further develop a trust-wide vision for teaching and learning
- To further develop consistent monitoring systems across the key stages
- To further develop systems which promote co-ordination and accountability
- To identify sources of funding and resourcing of the above

Finance and HR

- To further develop medium and long term workforce plans and examine financial implications
- To review and further develop reporting and monitoring systems