

Company Registration No. 10856800 (England and Wales)

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

| | |
|---|--|
| - Bishop of Salford | The Right Reverend John Stanley Kenneth Arnold |
| - Vicar General | Rev Canon Michael Cooke VG |
| - Episcopal Vicar of Education | Rev Canon Anthony McBride |
| - Diocesan Director of Education / Episcopal Delegate of Education | Simon Smith BA MA LRAM NPQH |
| - A Lay Member | Mary Hunter |

Trustees

Catherine Marie Garside (Chair)
Angela Ager (Appointed 11 October 2019)
Catherine Anderson (Appointed 11 October 2019)
Brendan Duffy
Andrew Hutchison (Appointed 28 October 2019 and resigned 10 January 2020)
Martin Johnson (Ex Officio) (Appointed 1 September 2019)
Jonathan Walsh (Appointed 4 December 2020)
Brian Peart

Senior management team

| | |
|---|--|
| - Interim Catholic Senior Executive Leader | Martin Johnson |
| - Interim Catholic Chief Operations Officer and Accounting Officer | Monica Walczak |
| - Consultant Finance Director | Phil Curtis |
| - Headteacher, Alice Ingham | Donna Malcolm |
| - Headteacher, St Gregory's | Kelly Watson (from 1 December 2019) |
| - Interim Headteacher, St Patrick's | Claire Harrison (from 1 September 2020 to 19 April 2020) |
| - Headteacher St Patrick's | Kathryn Bishop (from 20 April 2020) |
| - Headteacher St Monica's | Chris Foley (from 1 August 2020) |
| - Finance Manager | Linda Stoknicki (resigned 21 May 2020) |
| - Director of Finance | Kathleen Connolly (from 2 November 2020) |

Company secretary

Kathleen Connolly (appointed 2 November 2020)

Company registration number

10856800 (England and Wales)

Principal and registered office

2nd Floor, Lowry Mill
Lees Street
Swinton
Manchester
M27 6DB

Academies operated

St Patrick's R C Primary School
Alice Ingham R C Primary School
St Gregory's R C Primary School
St Monica's R C High School

Location

Rochdale
Rochdale
Bolton
Bury

Headteacher

Kathryn Bishop
Donna Malcolm
Kelly Watson
Chris Foley

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------|--|
| Independent auditor | UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT |
|----------------------------|--|

| | |
|----------------|--|
| Bankers | Lloyds Bank Plc Horsemarket Street Warrington WA1 1TP |
|----------------|--|

| | |
|-------------------|---|
| Solicitors | Browne Jacobson LLP No1 Spinningfields Hardman Square Manchester M3 3EB |
|-------------------|---|

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In the academic year 2019 - 2020, the business of the trust focused on expansion following the decision of Salford Diocese to expand the family of schools beyond the borough of Rochdale.

The Trust operates 3 primary schools in Rochdale and Bolton and 1 secondary school in Bury. Its schools have a combined pupil capacity of 1843 and had a roll of 1776 in the school census on 16th January 2020.

This has been a substantial year of growth; St Teresa of Calcutta welcomed St Gregory's RC Primary School, Bolton in December 2019 and St Monica's RC High School, Bury in August 2020, increasing the number of pupils in the Trust to 1697. We were fortunate to welcome St Gregory's with Mass in Salford Cathedral in January, celebrated by Bishop John, and attended by representatives of all our academy schools, directors and officers from Salford Diocese. Sadly, COVID 19 has interrupted the planned celebration for schools joining us since March 2020.

The growth in schools and pupil numbers has strengthened the second and third tiers of governance; director and local governing committees. In line with the Catholic Education Service recommendations, there has been a restructure of local governance and a reconstitution of all local committees is underway. From September 2020, the Local Governing Committee will consist of 5 Foundation governors, including the Head Teacher, one elected staff member and two elected parent members.

Structure, governance and management

Constitution

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

The charitable company operates as St Teresa of Calcutta Catholic Academy Trust. St Teresa of Calcutta has four academy schools;

St Patrick's RC Primary School, a Catholic Voluntary Academy, Rochdale (1st October 2017)

Alice Ingham RC Primary School, a Catholic Voluntary Academy, Rochdale (1st October 2017)

St Gregory's RC Primary School, Bolton (1st December 2019).

St Monica's RC High School, Prestwich, Bury (1st August 2020)

Schools joining the Trust since September 2020

St Paul's RC Primary School, Heywood, Rochdale (1st October 2020)

St Gabriel's RC High School, Bury (1st November 2020)

The trustees of St Teresa of Calcutta Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, 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.

Trustees' indemnities

Indemnities for the claims made against the Directors of the Academy Trust as a result of undertaking everyday authorised activities on behalf of the Academy Trust is in place at a level of £5,000,000 and is reviewed annually as part of the whole Trust review of insurances.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of trustees

The Catholic Diocese of Salford under the direction of The Bishop of Salford appoint the Members of the Catholic Academy Trust.

The function of the members is to maintain and defend the Roman Catholic nature of the CMAT. They are accountable for the CMAT to the Diocese of Salford.

Members have at their disposal the structures and personnel in place within the diocesan organisation with expertise in school leadership, HR, finance, premises and buildings, safeguarding, Health & Safety and community engagement.

The recruitment of Directors extends across the Diocese and the Parishes are served by the academies within the Trust. Directors are selected in order to provide a broad range of skills and experiences and be supportive of Catholic Education within the Diocese. The Bishop following recommendations from the Diocesan Department of Education formally appoints foundation Directors, and Governors of the CMAT and Academy.

The term of office for any Director is 4 years and, subject to remaining eligible, the Directors may be re-appointed. Upon resignation of any Director, a replacement will be appointed as outlined above.

Policies and procedures adopted for the induction and training of trustees

Diocesan Officers provide advice and support. All Directors have access to information on the Catholic Education Service website

Directors are invited to engage with the National School of Formation, who provide provision for Headteachers and Governors to realise the true mission of the Church in education and explore ways of developing the Vision and Mission of Catholic Education.

All Directors have access to information and training offered by the National Governors Association for governance in a Multi-Academy Trust.

The Diocese of Salford has facilitated training for all governors on Leading in a Multi-Academy Trust provided by Leading Edge in 2018 and the Diocesan training programme for all governors now takes account of Catholic Multi-Academy Trusts.

Following the appointment of a National Leader of governance to the board of Directors, an internal programme of professional development for the leadership of academy schools and trusts was developed for the academic year 2020 – 2021. This will be delivered online and a recording of the training will be accessible on the Governance page of the Trust website.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finances and estates. The Trust has a Finance committee (CC1) to support this role, and includes the responsibilities of the audit committee, as outlined in the Financial standards handbook for multi-academy trusts with a budget below £50m.

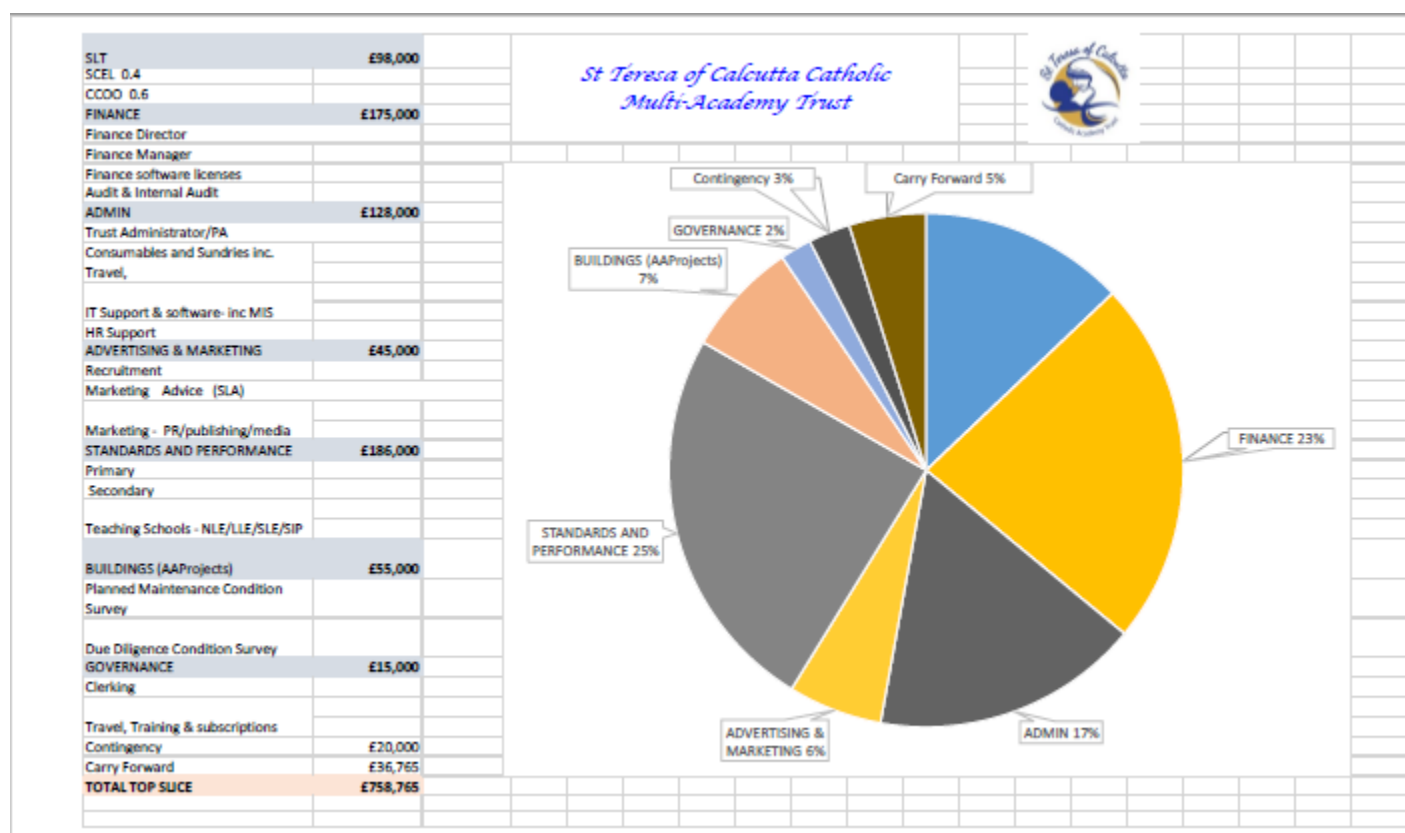
Sub committees for the review of standards and Leadership Pay are in place. The Trust is also the Admissions Authority and employer of all Academy Schools within the Trust.

The governance structure comprises three core committees;

- CC1: Finance, Audit, Resources and Premises
- CC2: Strategy, People and Organisational Development
- CC3: Quality Provision and Performance

The values of the Trust are based on the principal of subsidiarity, with decision making delegated to the most appropriate level. Each Academy has a Local Governing Committee consisting of Foundation, Parent and Staff Governors; the Scheme of Delegation outlines their relationship with the board.

St Teresa's is a developing Multi Academy Trust; there are shared central functions for strategic leadership, operations and finance. HR advice is available from Salford Diocese and through a service level agreement with Rochdale LA. Throughout the financial year 2019 – 2020, a strategic plan for the growth of the pupil levy, at 5% in 2020 - 21, was developed and shared with all stakeholders.



ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trust has two interim part-time officers, a Catholic Executive Senior Leader (two days per week) and a Catholic Chief Operating Officer (three days per week). It was agreed that due to the part-time nature of both roles and to ensure leadership oversight, the CCOO has assumed responsibility for the Accounting Officer role.

To date, the trust made the following appointments for the financial year 2020 - 2021;

- a substantive director of finance,
- governance clerking services
- a marketing and development advisor
- estates management advisor
- two directors of performance
- internal auditors (Beever and Struthers)

In addition, the Trust are working with Satis Education Services and have an agreed timeline for the appointment of a substantive CSEL for September 2021.

All academy school appointments are made locally, with support from the Trust office, except the Head and Deputy, and in high schools the Head of Religious Studies and the School Chaplain. These appointments are the responsibility of the directors.

In the academic year 2019 – 2020, after a lengthy and repeated process, the directors appointed a substantive head teacher to St Patrick's RC Primary School and an interim deputy Headteacher for St Gregory's RC Primary School, seconded from Heart TSA.

We align all statutory policies through the CES, the School Bus, the Diocesan Safeguarding Team, Local Children's Safeguarding Boards and the Local Authority HR.

Arrangements for setting pay and remuneration of key management personnel

The Directors have established a Pay Committee, advised by the Catholic Senior Executive Leader who conducts the annual performance review of Headteachers, alongside an external advisor and the chair of the local governing committee. An external advisor, leader of another Faith based academy Trust, has been appointed to review the performance of senior staff who reports to the board of directors and assists in the setting of appropriate targets.

The Trust board is responsible for the appointment of Headteachers and Deputy Headteachers. The directors of the trust establish the leadership pay and ISR ranges of the individual academies, through the pay committee. This ensure consistency and transparency across all schools in the Catholic Multi-Academy Trust.

Tables within the Trust Pay Policy, indicate decisions made by the Pay Committee in relation to the minimum and maximum payments at all levels of employment across the Trust, including leadership, and reflect updates made to the Teachers' Pay and Conditions document.

Provisions of the Trade Union

The Trust has entered into a Service Level Agreement (SLA) with Rochdale LA for Facilities Management Time with unions. Schools pay into the SLA to cover salary costs of trade union officials who undertake union duties for all schools within the SLA. There were no relevant union officials employed by the Trust during the reporting period. The cost of the SLA for the reporting period was £2,413.

JCB meetings are planned to take place with unions, however COVID restricted this in 2020.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

2,413

Total pay bill

3,153,000

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

The Articles of Association for St Teresa of Calcutta Catholic Academy Trust express an alignment with the Diocese of Salford practices: 'To co-operate and work together to provide a framework for education which is in accordance with the teachings, doctrines, discipline and norms of the Catholic Church and with any guidelines and policies of the Salford Diocesan Department for Education.'

The Trust works closely with the Diocesan Education Office and all Catholic schools within the diocese. In 2019 -2020 academic year the Trust enjoyed a particular relationship with;

BOSEP (Bolton Catholic Heads group)
Catholic Head Teachers group in Bury
Emmaus: a soft Federation of Catholic schools in the borough of Rochdale.
Salford Diocese Secondary Head Teachers
Salford Diocese Primary School Alliance

All groups form a school improvement model to support and develop schools to deliver an education that is 'at least as good as schools around us' in accordance with our obligation under Canon Law.

In the academic year 2019 – 20, the Trust continued their partnership with the NAHT, to develop middle leaders in Trust schools. Where schools had access to SSIF, the support of SLE and NLE was provided by:

Bolton LA;
Heart Teaching School Alliance, Bolton;
Loreto Teaching School Alliance, Altrincham
St Patrick's RC High School Teaching Federation, Salford;

To raise standards in reading, the Trust continued their relationship with Arch Alliance Rochdale.

For mathematics the schools worked with the North West Maths Hub and consultants from Sense of Number.

The academy senior leaders are both NLEs and work with;

Best Practise Network, delivering NPQML and NPQSL

Heart Teaching School Alliance, Bolton – led by the CSEL

The National School of Formation, supported by EducareM. The National School of Formation is a vehicle to support the personal and spiritual development of leaders in education for the renewal of society. It provides opportunities for members to explore ways of developing the vision and mission for Catholic education and encourages leaders to be a powerful voice for Catholic educators in local and national forums.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The St Teresa of Calcutta Roman Catholic Multi Academy Trust (CMAT) exists to secure 3-19 Catholic Education in the Diocese of Salford.

Within the CMAT, our academies are communities where our children and young people are given a clear vision for life, a vision which is rooted in the person and teachings of Jesus Christ and which is faithful to the mission of the Catholic Church.

The Trust seeks to serve all our families and to work with other partners in education for the benefit of our children and young people; we are committed to working together as academies and with the wider community for the common good.

In our academies, we uphold the dignity and unique human value of every person as we strive for excellence in education; gifts and talents are shared between our academies as we aim to provide the highest standards for all our children and young people throughout the Trust.

St Teresa of Calcutta CMAT is rooted in the Catholic mission to educate our pupils to the highest academic standards, fuel them with Gospel Spirit, in order to be agents of transformation in society: people who are rooted in action for the common good. We articulate this in our specific goal to use our individual God given gifts to find new ways to spread the joy of the Gospel to every corner of the world.

Objectives, strategies and activities

The Trust Strategic Development Plan (2019 – 2024) retains the same three objectives;

1. Provide effective Financial Management and Governance At all Levels to secure, protect and enrich Catholic Education
2. Developing, nurturing and supporting a work force who live out our Catholic ethos, values and virtues
3. Provide all pupils with high quality, inclusive education to enable them to reach their full God-given potential

These strategic aims define our very being so that we can and will offer more for every child, family, member of staff and leader in the St Teresa of Calcutta Roman Catholic Multi Academy Trust

Our very clear expectation is, to collectively achieve better outcomes for all our children and young people; it is within our power to do so. Being good is not good enough, we strive to be a Foundation of transformation and excellence for Catholic Education in everything we offer.

The plan intended for directors and local governing committees to use with their teams throughout the coming year, is accessible on the Trust website. The complexities of converting four schools in the last academic year, bringing together schools from across three local authorities and aligning their policies and practices to the Trust, has been time consuming this year, however, the exponential growth places St Teresa of Calcutta in a stronger position for development in the coming academic year. With such rapid growth, the Trust recognise the importance of using Integrated Curriculum Planning in the coming financial year.

Owing to COVID 19, various reporting deadlines and requirements changed this year and we remain on track to submit all reports by their due date.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Three Year Overview

To provide effective Financial Management and Governance at all levels to secure, protect and enrich Catholic Education

Strategic Objectives

- Ensure the future of Catholic education is secure and stable through effective governance and parish engagement
- Provide financial stability through a three-year strategic plan with regularity, propriety and compliance
- Manage the premises and infrastructure with five-year plans guiding the strategic use of resources

Key Performance Indicators

- Surplus of places is lower than 4%
- Reserves are retained at 5% of GAG Income
- Staff Costs do not exceed 80% of total income
- Income generation 0.5% of GAG (£150k)

Enhancing financial controls (in light of higher expectation of ESFA) so 'no unexpected' medium/high risk items on Audit Management Letter.

Developing, nurturing and supporting a work force who live out our Catholic ethos, values and virtues.

Strategic Objectives

- Strengthening work force through effective professional development and system leadership opportunities
- Development of pathways for succession planning
- Forward-thinking, consistent and professional HR provision

Key Performance Indicators

- 95% staff complete agreed CPDF pathways or Organisational Development strategy
- Absence is 3% or lower by July 2020
- Staff turnover to be below 15%
- 100% of T and NT performance reviews are completed using central templates

Provide all pupils with high quality, inclusive education to enable them to reach their full God-given potential

Strategic Objectives

- Pupils, students and staff contribute to the Catholic ethos of the school, engage in high quality collective worship and access excellence in RE
- Majority of Pupils and Students (70%) performance is at age- related expectations and end of KS is at least in line with national
- Through strong leadership all pupils progress successfully through each stage of transition to achieve their full potential through a carefully well-planned journey of learning through the seamless curriculum from 2-19years

Key Performance Indicators

- All schools judged at least RI in quality assurance systems and more aspects self evaluated as Good or Outstanding;
- Year of Word is implemented and infused through Collective Worship and RE;
- St Teresa of Calcutta CMAT child experience is established;
- All end of KS outcomes at least in line and five schools above; three year trend is above national in two schools and above with at least 70% in RE En, Ma in all year groups Y1 upwards (KS2 national is 65% RWMa KS4 national 4+EnMa is 70%)
- At least one more school secures Good in S48.
- System leaders increase by 4 across the CMAT and increased system leadership (especially around subject development internal and external)

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In five years' time: 2024

All schools are the desired school of choice for the diverse communities that they serve.

The legacy of Curriculum Leadership development provides an enriched curriculum and wealth of opportunities for pupils.

The physical learning environments across the CMAT enable inspiration, innovation and excellence.

Staff and volunteers at all levels understand and embrace the culture of servant leadership and system leadership. They feel valued and take pride in being part of the community of the St Teresa of Calcutta Roman Catholic Multi Academy Trust.

Public benefit

The trustees 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

| Academy School | St Patrick's RC Primary School | Alice Ingham RC Primary School | St Gregory's RC Primary School | St Monica's RC High School |
|--------------------|--------------------------------|--------------------------------|--------------------------------|--|
| Section 5 Outcome | Outstanding September 2008 | Inadequate May 2016 | Inadequate | Requires Improvement December 2019 |
| Section 48 outcome | Good May 2019 | Good June 2018 | Good November 2015 | Requires Improvement July 2019 |

The directors recognise the reporting of any performance data would be of no significance, given the disruption to our children's education through COVID 19 restrictions. They would however, wish to express confidence in the staff for the support given to every child within the trust, to allow them to access learning. The ability of the staff and students to adapt learning has demonstrated their commitment to learning in our academy schools and witnessed the resilience within our communities.

Key performance indicators

Beyond the challenges of COVID, St Teresa of Calcutta has had a year of significant growth. Having begun the year with the appointment of an interim CSEL and CCOO, the trust began a significant year of development that has seen us expand from two primary schools with a total of 470 pupils, to having four primaries and two secondary schools and a pupil headcount of 3027.

External consultant reviews currently identifies; St Patrick's RC Primary School and St Gregory's RC Primary School as good schools and Alice Ingham RC Primary School as an improving with personal development and behaviour and attitudes judged to be good.

Ofsted judged St Monica's RC High School to have made progress in their 2019 inspection. Further to their visit, data and external consultant reviews would now judge the school good.

Membership of the board of directors has increased by three. The skills audit of the governance highlight strengthen in;

Educational leadership;

Governance (a serving national leader of governance)

HR and contract procurement

Financial management and audit

The Trust has appointed a highly qualified Finance Director exemplary experience in the public sector (Police and Academy Trust) to lead the development of a strong, central finance team with robust systems of financial management. The board appreciate the significant contribution of the newly appointed FD, who took up post in November, in preparing the accounts for our audit team, a process challenged by the introduction of new finance systems in the 19 – 20 financial year and the significant change of key personnel in the Trust.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees 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.

Financial review

The primary source of the Multi-Academy Trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of grants, the use of which are restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2020 and the associated expenditure are shown in the Statement of Financial Activities.

During the period ended 31 August 2020, total expenditure of £4,282k (2019 - £2,834k) was covered by grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding capital funding, depreciation and the movement on the valuation of the defined benefit pension scheme) was £272k (2019 - £5k). During the period there was an actuarial loss on the LGPS pension scheme of £331k.

Reserves policy

Reserves levels are reviewed annually by the Trust. The policy of the Trust is to carry forward a prudent level of reserves to meet any unforeseen contingencies and to make a contribution towards future capital projects. Over and under spends within individual schools are carried forward.

The Trust will be establishing a new reserves policy during 2020/21, to take into account the increase in and change in the mix of schools within the Trust, which now includes secondary schools. This will include reviewing the level of reserves for operating expenditure and a review of reserves needed for long term cyclical needs and any impact of funding changes.

The Trust holds restricted funds, unrestricted funds, restricted fixed asset funds and pension funds. Restricted funds may only be used in line with the terms and conditions of the grant provider. Unrestricted funds arise from surpluses on unrestricted income over unrestricted expenditure. The funds may be used for any purpose that meet the Trust's charitable purpose. Restricted Fixed Asset Funds, represent the proportion of the Trust's reserves that are tied up in fixed assets and generally represent future depreciation charges for assets purchased.

The Pension Fund represents a liability that will not crystallise in an immediate cash outflow but would affect the Trust in the form of an increase in the employer pension contributions over a number of years.

The total value of funds held by the Trust at 31 August 2020 is a deficit of £2,224k and is disclosed in full on page 28.

The balance of restricted general funds (excluding the pension reserve), plus the balance on unrestricted funds at 31 August 2020, shown on page 28 would be a net surplus of £402k.

Investment policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

The appointment of a highly qualified and experienced Finance Director, who will take up post in November 2020, and the growth of the Trust GAG income from £3m in September 2019 to £18m in November 2020, will ensure that the planned short-term investment of funds is effectively managed.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The trustees have identified the following principal risks and uncertainties facing the Trust:

- considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.
- falling roles in two of our primary schools; the trust has appointed a marketing and development consultant to work principally with these two schools

Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures. The appointment of an experienced and highly qualified permanent finance director will mitigate this risk.

Failures in governance and/or management. Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risks

The continuing success of the Trust depends on maintaining the highest educational standards. Trustees are clearly focused on monitoring and reviewing the achievement and progress of children. Trustees continue to give due consideration to other aspects of each school's activities where there could be a reputational risk, including behaviour management, safeguarding, health and safety etc. Safeguarding and child protection risks. Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care.

Significant changes in staff

Trustees regularly review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as a Custodian.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26 January 2021 and signed on its behalf by:



Catherine Anderson
Trustee

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Catholic Chief Operating Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Teresa of Calcutta Catholic Academy Trust and the Secretary of State for Education. The Catholic Senior Executive Leader is delegated day-to-day responsibility for educational matters. A Finance Director has been appointed in November 2020. The officers are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

| Trustees | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| Catherine Marie Garside (Chair) | 6 | 6 |
| Angela Ager (Appointed 11 October 2019) | 5 | 5 |
| Catherine Anderson (Appointed 11 October 2019) | 5 | 5 |
| Brendan Duffy | 6 | 6 |
| Andrew Hutchison (Appointed 28 October 2019 and resigned 10 January 2020) | 1 | 2 |
| Martin Johnson (Ex Officio) (Appointed 1 September 2019) | 6 | 6 |
| Jonathan Walsh (Appointed 4 December 2020) | 0 | 0 |
| Brian Peart | 6 | 6 |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Accounting Officer, with the support of the director of finance, ensures financial controls conform to requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Teresa of Calcutta Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weakness or breakdown of internal control outlined in the Operational Financial Handbook.

Finance, resources and audit committee

Whilst the Trust only has a small board; three members form the Finance and Audit committee. The challenges of COVID that emerged in March and Directors agreed that the focus of their meetings should focus on three core matters: The Financial Management of the Trust; due diligence responsibilities relating to the introduction of three schools into the Trust; health safety and wellbeing of staff and children, including access to remote learning. In these unprecedented times, the directors agreed that all matters, including finance, would be included in full director meetings.

Whilst the directors have agreed to continue to meet as one body throughout 2020 – 21, the finance and audit committee will resume its activities and will meet a minimum of eight times in 2020 – 2021, reporting their recommendations to meetings of the full board meetings.

Purpose of the board finance, resources and audit committee

- Ensure strategic financial plans reflect the Trust's key objectives.
- Oversee financial planning and approve annual budgets, ensuring short term budgets are in line with agreed long term plans.
- Ensure that proper accounts and records are maintained
- Safeguard assets
- Ensure financial solvency is fulfilled
- Prepare, monitor and review financial policies and recommend approval to the Board
- Monitor the financial position through accurate and timely reports
- Monitor and review best value for money principals
- Monitor the procurement of services against the values of our Catholic Multi Academy Trust.
- Review insurance policies annually

Purpose of finance, resources and audit committee

- Gain assurance that the Trust's risk management, control and governance arrangements are adequate and effective.
- Appoint and engage external auditor and review remuneration and terms of engagement annually
- Monitor the integrity of the financial statements, reviewing reporting judgements contained in them
- Review the effectiveness of the systems of internal control through the internal audit functions
- Monitor the implementation of audit recommendations
- Monitor and maintain the risk management plan

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Governance reviews

To strengthen capacity with the Trust, and prepare for future growth, the Directors have reviewed the structure of roles and responsibilities with the Trust to strengthen compliance controls, support further the management of risk and strengthen systems of accountability.

In 2019 – 20 the board procured the services of a consultant finance director from Ralph Sherwin Catholic Multi Academy Trust. This has strengthened the policies of the Trust and introduced further systems of control, including the implementation of a new financial management system.

The directors recognise that the impact of COVID and staff mobility during this year, brought significant challenge to the implementation of PS Financials, both internal and external. The closure of FMS at the end of March coincided with unplanned, but significant staff mobility which interrupted the flow of transition from one system to the other.

To support this the Trust has appointed an Interim Catholic Senior Executive Leader and an Interim Catholic Chief Operations Officer.

Review of value for money

As accounting officer, the Catholic Chief Operations Officer, along with the Catholic Senior Executive Leader and the Chief Financial Officer has responsibility for ensuring the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Whilst there is no published data for this academic year, our academies data indicates that the outcomes for children remain broadly stable in the 2019 – 20 academic year. The strong ethos of St Teresa of Calcutta, rooted in the Catholic mission; to educate our pupils to the highest academic standards, fuel them with Gospel Spirit, in order to be agents of transformation in society: people who are rooted in action for the common good, is celebrated within each academy school mission statement. Consequently, the culture across the Catholic Academy Trust, ensures that personal and academic growth and a love of learning go hand in hand.

The tender process in 2019 – 2020, for audit provider, governor clerking services and HR, is evidence that the board take seriously their commitment to providing value for money undertaking the necessary due diligence for any significant purchase or SLA.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

COVID 19 interrupted the system of internal audit in St Teresa of Calcutta Catholic Academy Trust for the period of 1st September 2019 to 31st August 2020. The plan to introduce Beever and Struthers was placed on hold until Autumn 2020.

Beever and Struthers have been appointed to undertake internal audits in 2020 – 21. The themes identified are;

- Safeguarding – reporting to directors February 2021
- GDPR – reporting to directors April 2021
- Financial Management, systems and processes – reporting to directors June 2021.

An external SRMA appointed by the DfE in February, reviewed and reported on the trust fiscal position, policies and processes. Following this review, and the resignation of the finance manager, the Trust put in place interim arrangements for the financial management, which included the secondment of a school business manager to the central team, led by the interim Finance Director seconded for one day a week from a Trust in the Diocese of Nottingham.

During this period of turbulence for the Trust, the systems of internal control remained stable for the appointment of staff, the procurement of contracts, the bidding process for capital projects, the ordering of resources and the processing of invoices and payments. The reporting of management accounts to the board of directors, based on accurate information received from payroll and the bank in lieu of any recording made to the finance systems continued, on a bi-monthly basis, during the period of transition from March to August. All other financial reporting deadlines were met during this period.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal, ongoing process for identifying, evaluating and managing the academy trust's significant risks. The board of Trustees regularly review this process and recognise that changes to staff in the finance team, the introduction of a new financial system and the on boarding of three new schools over a period of three months, presented challenges to systems and process for the period of 1st September 2019 to 31st August 2020. Directors are, however, confident that from 1st November 2020 up to the date of approval of the annual report and financial statements our new finance director has placed the Trust in a strong position to ensure strong fiscal management for the future.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The board of trustees has considered the need for a specific internal audit function and has decided:

- To appoint Beever and Struthers as the internal auditor for 2020 - 2021

Review of effectiveness

As accounting officer, supported by the interim finance director and the CSEL, has the principal responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on 26 January 2021 and signed on its behalf by:



Catherine Anderson
Trustee

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of St Teresa of Calcutta Catholic Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Monica Walczak
Accounting Officer

26 January 2021

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of St Teresa of Calcutta Catholic Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 26 January 2021 and signed on its behalf by:



Catherine Anderson
Trustee

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of St Teresa of Calcutta Catholic Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

26 January 2021

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 3 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Teresa of Calcutta Catholic Academy Trust during the period 1 September 2019 to 31 August 2020 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 St Teresa of Calcutta Catholic Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Teresa of Calcutta Catholic Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Teresa of Calcutta Catholic Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Teresa of Calcutta Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Teresa of Calcutta Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 28 September 2017 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Procurement procedures

Our work highlighted a number of instances of non-compliance with the trust's own policies and procedures on procurement. With a growing MAT, a number of staff changes and a small finance team, the procedures are not considered to be robust enough. This has not been helped by the Covid-19 pandemic. Our review has highlighted a number of instances where the procedures have not been followed in terms of authorisation. We understand that authorisation was given for the items selected for review but we were unable to obtain supporting evidence of this. Similarly, we were unable to confirm that procurement and tendering processes were followed due to lack of evidence being retained. There was also a lack of evidence in relation to the checking goods on receipt to goods received notes.

Management accounts

During our review it became evident that accurate monthly management accounts have not been produced throughout the year for review by the board of trustees.

Internal audit procedures

Due to the pandemic, the plans for internal audit review have been put on hold. No internal audit reviews have been carried out during the year.



Reporting Accountant

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated: 26 January 2021

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | Unrestricted funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2020 £000 | Total 2019 £000 |
|--|----------|----------------------------|-----------------------------------|---------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 80 | 1 | - | 81 | 826 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 2 | 3,861 | - | 3,863 | 2,553 |
| Other trading activities | 5 | 115 | 9 | - | 124 | 133 |
| Total | | <u>197</u> | <u>3,871</u> | <u>-</u> | <u>4,068</u> | <u>3,512</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | - | 4,218 | 64 | 4,282 | 2,834 |
| Charitable expenditure - transfer from local authority on conversion | 27 | (195) | 1,983 | - | 1,788 | - |
| Total | 6 | <u>(195)</u> | <u>6,201</u> | <u>64</u> | <u>6,070</u> | <u>2,834</u> |
| Net income/(expenditure) | | 392 | (2,330) | (64) | (2,002) | 678 |
| Transfers between funds | 17 | (120) | 70 | 50 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | - | (331) | - | (331) | (371) |
| Net movement in funds | | 272 | (2,591) | (14) | (2,333) | 307 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 130 | (867) | 846 | 109 | (198) |
| Total funds carried forward | | <u>402</u> | <u>(3,458)</u> | <u>832</u> | <u>(2,224)</u> | <u>109</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

| Comparative year information Year ended 31 August 2019 | Notes | Unrestricted funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2019 £000 |
|---|-------|-------------------------------|-----------------------------------|---------------------|-----------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | - | 826 | 826 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 2,553 | - | 2,553 |
| Other trading activities | 5 | 133 | - | - | 133 |
| Total | | <u>133</u> | <u>2,553</u> | <u>826</u> | <u>3,512</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | - | 2,812 | 22 | 2,834 |
| Total | 6 | <u>-</u> | <u>2,812</u> | <u>22</u> | <u>2,834</u> |
| Net income/(expenditure) | | 133 | (259) | 804 | 678 |
| Transfers between funds | 17 | (85) | 85 | - | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 19 | - | (371) | - | (371) |
| Net movement in funds | | <u>48</u> | <u>(545)</u> | <u>804</u> | <u>307</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>82</u> | <u>(322)</u> | <u>42</u> | <u>(198)</u> |
| Total funds carried forward | | <u>130</u> | <u>(867)</u> | <u>846</u> | <u>109</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

| | | 2020 | 2019 |
|---|-------|---------|-------|
| | Notes | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 12 | 832 | 58 |
| Current assets | | | |
| Debtors | 13 | 445 | 966 |
| Cash at bank and in hand | | 637 | 155 |
| | | 1,082 | 1,121 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 14 | (620) | (203) |
| Net current assets | | 462 | 918 |
| Total assets less current liabilities | | 1,294 | 976 |
| Creditors: amounts falling due after more than one year | 15 | (60) | - |
| Net assets before defined benefit pension scheme liability | | 1,234 | 976 |
| Defined benefit pension scheme liability | 19 | (3,458) | (867) |
| Total net (liabilities)/assets | | (2,224) | 109 |
| Funds of the academy trust: | | | |
| Restricted funds | 17 | | |
| - Fixed asset funds | | 832 | 846 |
| - Pension reserve | | (3,458) | (867) |
| Total restricted funds | | (2,626) | (21) |
| Unrestricted income funds | 17 | 402 | 130 |
| Total funds | | (2,224) | 109 |

The accounts on pages 26 to 50 were approved by the trustees and authorised for issue on 26 January 2021 and are signed on their behalf by:



Catherine Anderson
Trustee

Company Number 10856800

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | 2020 £000 | 2019 £000 |
|--|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 362 | 76 |
| Cash funds transferred on conversion | | 239 | - |
| | | <u>601</u> | <u>76</u> |
| Cash flows from investing activities | | | |
| Capital grants from DfE Group | | 692 | 34 |
| Purchase of tangible fixed assets | | (838) | (28) |
| | | <u></u> | <u></u> |
| Net cash (used in)/provided by investing activities | | (146) | 6 |
| Cash flows from financing activities | | | |
| New Salix loan | | 33 | - |
| Finance costs | | (6) | - |
| | | <u></u> | <u></u> |
| Net cash provided by/(used in) financing activities | | 27 | - |
| | | <u></u> | <u></u> |
| Net increase in cash and cash equivalents in the reporting period | | 482 | 82 |
| Cash and cash equivalents at beginning of the year | | 155 | 73 |
| | | <u></u> | <u></u> |
| Cash and cash equivalents at end of the year | | <u>637</u> | <u>155</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going concern

The trustees 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 trustees 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 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds and restricted general funds. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|------------------------|---------------------------|
| Leasehold improvements | 15-25 years straight line |
| Computer equipment | 3 years straight line |

Land and Building owned by the Diocese of Salford : The academy trust company occupies the land (and building) under mere license . This continuing permission of use is pursuant to, and subject to, the Trustees' charitable objectives, and is part of the Catholic Church's contribution since 1847 to provide state funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese of Salford can terminate this agreement , with Secretary of State approval, with two years notice, requiring the academy to find new premises. All Diocese of Salford land and buildings are therefore not included on the academy trusts balance sheets as a tangible fixed asset.

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.

1.7 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.

1.8 Leased assets

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees do not consider there to be any areas of judgement that are critical to the academy trust's financial statements.

3 Donations and capital grants

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|-----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital grants | - | - | - | 826 |
| Other donations | 80 | 1 | 81 | - |
| | <u>80</u> | <u>1</u> | <u>81</u> | <u>826</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 3,022 | 3,022 | 2,050 |
| Other DfE group grants | - | 672 | 672 | 407 |
| | <u>-</u> | <u>3,694</u> | <u>3,694</u> | <u>2,457</u> |
| Other government grants | | | | |
| Local authority grants | - | 150 | 150 | 96 |
| Special educational projects | - | 17 | 17 | - |
| | <u>-</u> | <u>167</u> | <u>167</u> | <u>96</u> |
| Other funding | | | | |
| Other incoming resources | 2 | - | 2 | - |
| | <u>2</u> | <u>-</u> | <u>2</u> | <u>-</u> |
| Total funding | <u>2</u> | <u>3,861</u> | <u>3,863</u> | <u>2,553</u> |

5 Other trading activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|-----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Catering income | 29 | - | 29 | - |
| Trip income | - | 7 | 7 | 3 |
| Other income | 86 | 2 | 88 | 130 |
| | <u>115</u> | <u>9</u> | <u>124</u> | <u>133</u> |

6 Expenditure

| | Staff costs £000 | Non-pay expenditure | | Total 2020 £000 | Total 2019 £000 |
|----------------------------------|---------------------|---------------------|---------------|-----------------------|-----------------------|
| | | Premises £000 | Other £000 | | |
| Academy's educational operations | | | | | |
| - Direct costs | 2,109 | - | 168 | 2,277 | 1,252 |
| - Allocated support costs | 1,226 | 264 | 515 | 2,005 | 1,582 |
| | <u>3,335</u> | <u>264</u> | <u>683</u> | <u>4,282</u> | <u>2,834</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Expenditure (Continued)

| Net income/(expenditure) for the year includes: | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Fees payable to auditor for: | | |
| - Audit | 14 | 14 |
| - Other services | 9 | 4 |
| Operating lease rentals | 3 | - |
| Depreciation of tangible fixed assets | 64 | 22 |
| Bank and loan interest | 6 | - |
| Net interest on defined benefit pension liability | 26 | 12 |
| | <u>122</u> | <u>52</u> |

7 Central services

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

- financial services
- executive leadership
- educational support services

The academy trust charges for these services on a flat percentage of income, which was 3.5%.

| The amounts charged during the year were as follows: | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| St Patrick's R C Primary School | 44 | - |
| Alice Ingham R C Primary School | 26 | - |
| St Gregory's R C Primary School | 21 | - |
| St Monica's R C High School | 24 | - |
| | <u>115</u> | <u>-</u> |

8 Charitable activities

| All from restricted funds: | 2020 £000 | 2019 £000 |
|----------------------------|--------------|--------------|
| Direct costs | | |
| Educational operations | 2,277 | 1,252 |
| Support costs | | |
| Educational operations | 2,005 | 1,582 |
| | <u>4,282</u> | <u>2,834</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 8 Charitable activities | (Continued) | |
|---|--------------|--------------|
| | 2020 £000 | 2019 £000 |
| Analysis of support costs | | |
| Support staff costs | 1,243 | 1,048 |
| Depreciation | 64 | 22 |
| Technology costs | 68 | - |
| Premises costs | 200 | 191 |
| Legal costs | 34 | 118 |
| Other support costs | 366 | 203 |
| Governance costs | 30 | - |
| | <u>2,005</u> | <u>1,582</u> |
| 9 Staff | | |
| Staff costs | | |
| Staff costs during the year were: | | |
| | 2020 £000 | 2019 £000 |
| Wages and salaries | 2,447 | 1,667 |
| Pension costs | 706 | 529 |
| | <u>3,153</u> | <u>2,196</u> |
| Staff costs - employees | 3,153 | 2,196 |
| Agency staff costs | 149 | 91 |
| Staff restructuring costs | 33 | - |
| | <u>3,335</u> | <u>2,287</u> |
| Staff development and other staff costs | 17 | 2 |
| | <u>3,352</u> | <u>2,289</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | 5 | - |
| Severance payments | 13 | - |
| Other restructuring costs | 15 | - |
| | <u>33</u> | <u>-</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

| | 2020 Number | 2019 Number |
|----------------------------|----------------|----------------|
| Teachers | 36 | 24 |
| Administration and support | 98 | 42 |
| Management | 3 | - |
| | <u>137</u> | <u>66</u> |

Higher paid staff

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

| | 2020 Number | 2019 Number |
|-----------------|----------------|----------------|
| £60,001-£70,000 | 1 | - |
| £80,001-£90,000 | - | 1 |
| | <u>-</u> | <u>1</u> |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £346,454 (2019: £499,257).

10 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received any other benefits from an employment with the academy trust. Travel expenses amounting to £40 were reimbursed during the year.

11 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £ 5,000,000 on any one claim and the cost for the year ended 31 August 2020 is not separately identifiable, but is included in the total insurance cost.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

| | Leasehold improve- ments £000 | Computer equipment £000 | Total £000 |
|-----------------------|--|-------------------------------|---------------|
| Cost | | | |
| At 1 September 2019 | - | 151 | 151 |
| Additions | 825 | 13 | 838 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2020 | 825 | 164 | 989 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 September 2019 | - | 93 | 93 |
| Charge for the year | 26 | 38 | 64 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2020 | 26 | 131 | 157 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 August 2020 | 799 | 33 | 832 |
| | <hr/> | <hr/> | <hr/> |
| At 31 August 2019 | - | 58 | 58 |
| | <hr/> | <hr/> | <hr/> |

Land and Building owned by the Diocese of Salford : The academy trust company occupies the land (and building) under mere license . This continuing permission of use is pursuant to, and subject to, the Trustees' charitable objectives, and is part of the Catholic Church's contribution since 1847 to provide state funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese of Salford can terminate this agreement, with Secretary of State approval, with two years notice, requiring the academy to find new premises. All Diocese of Salford land and buildings are therefore not included on the academy trusts balance sheets as a tangible fixed asset.

13 Debtors

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| VAT recoverable | 67 | 94 |
| Other debtors | - | 3 |
| Prepayments and accrued income | 378 | 869 |
| | <hr/> | <hr/> |
| | 445 | 966 |
| | <hr/> | <hr/> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Salix loans | 4 | - |
| Trade creditors | 129 | 87 |
| Other taxation and social security | 125 | 34 |
| Other creditors | 159 | 20 |
| Accruals and deferred income | 203 | 62 |
| | <u>620</u> | <u>203</u> |

15 Creditors: amounts falling due after more than one year

| | 2020 £000 | 2019 £000 |
|------------------------------|--------------|--------------|
| Salix loans | 29 | - |
| Accruals and deferred income | 31 | - |
| | <u>60</u> | <u>-</u> |

| | 2020 £000 | 2019 £000 |
|---------------------------------------|--------------|--------------|
| Analysis of loans | | |
| Wholly repayable within five years | 33 | - |
| Less: included in current liabilities | (4) | - |
| | <u>29</u> | <u>-</u> |

| | | |
|---|-----------|----------|
| Loan maturity | | |
| Debt due in one year or less | 4 | - |
| Due in more than one year but not more than two years | 4 | - |
| Due in more than two years but not more than five years | 12 | - |
| Due in more than five years | 13 | - |
| | <u>33</u> | <u>-</u> |

The Salix loans are to be repaid over 8 years.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Deferred income

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Deferred income is included within: | | |
| Creditors due within one year | 55 | - |
| Creditors due after more than one year | 31 | - |
| | <u>86</u> | <u>-</u> |
| Deferred income at 1 September 2019 | - | - |
| Resources deferred in the year | 86 | - |
| Deferred income at 31 August 2020 | <u>86</u> | <u>-</u> |

At the balance sheet date the academy trust was holding funds amounting to £51k received in advance for UIFSM for 2020-21 and £35k in relation to revenue received in advance on CIF projects (of which £31k included in creditors due after more than 1 year). Revenue deferred in relation to CIF projects is being released over 10 years.

17 Funds

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2020 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 3,022 | (3,067) | 45 | - |
| Other DfE / ESFA grants | - | 672 | (672) | - | - |
| Other government grants | - | 167 | (167) | - | - |
| Other restricted funds | - | 54 | (79) | 25 | - |
| Pension reserve | (867) | (2,027) | (233) | (331) | (3,458) |
| | <u>(867)</u> | <u>1,888</u> | <u>(4,218)</u> | <u>(261)</u> | <u>(3,458)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 66 | - | - | - | 66 |
| DfE group capital grants | 780 | - | (64) | 50 | 766 |
| | <u>846</u> | <u>-</u> | <u>(64)</u> | <u>50</u> | <u>832</u> |
| Total restricted funds | <u>(21)</u> | <u>1,888</u> | <u>(4,282)</u> | <u>(211)</u> | <u>(2,626)</u> |
| Unrestricted funds | | | | | |
| General funds | 130 | 392 | - | (120) | 402 |
| Total funds | <u>109</u> | <u>2,280</u> | <u>(4,282)</u> | <u>(331)</u> | <u>(2,224)</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other DfE/ESFA grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted funds tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects as part of the school improvement plan and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.
- (vi) The unrestricted funds primarily relate to income from private donations and lettings.

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

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (71) | 2,050 | (2,178) | 199 | - |
| Other DfE / ESFA grants | - | 407 | (407) | - | - |
| Other government grants | - | 96 | (96) | - | - |
| Other restricted funds | 114 | - | - | (114) | - |
| Pension reserve | (365) | - | (131) | (371) | (867) |
| | <u>(322)</u> | <u>2,553</u> | <u>(2,812)</u> | <u>(286)</u> | <u>(867)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 66 | - | - | - | 66 |
| DfE group capital grants | (24) | 826 | (22) | - | 780 |
| | <u>42</u> | <u>826</u> | <u>(22)</u> | <u>-</u> | <u>846</u> |
| Total restricted funds | <u>(280)</u> | <u>3,379</u> | <u>(2,834)</u> | <u>(286)</u> | <u>(21)</u> |
| Unrestricted funds | | | | | |
| General funds | 82 | 133 | - | (85) | 130 |
| | <u>82</u> | <u>133</u> | <u>-</u> | <u>(85)</u> | <u>130</u> |
| Total funds | <u>(198)</u> | <u>3,512</u> | <u>(2,834)</u> | <u>(371)</u> | <u>109</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total funds analysis by academy

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Fund balances at 31 August 2020 were allocated as follows: | | |
| St Patrick's R C Primary School | (28) | (113) |
| Alice Ingham R C Primary School | (28) | 120 |
| St Gregory's R C Primary School | 11 | - |
| St Monica's R C High School | 442 | - |
| Central services | 5 | 123 |
| | <hr/> | <hr/> |
| Total before fixed assets fund and pension reserve | 402 | 130 |
| Restricted fixed asset fund | 832 | 846 |
| Pension reserve | (3,458) | (867) |
| | <hr/> | <hr/> |
| Total funds | (2,224) | 109 |
| | <hr/> <hr/> | <hr/> <hr/> |

Total cost analysis by academy

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

| | Teaching and educational support staff £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2020 £000 | Total 2019 £000 |
|---------------------------------|--|--------------------------------------|---------------------------------|--|-----------------------|-----------------------|
| St Patrick's R C Primary School | 854 | 640 | 54 | 234 | 1,782 | 864 |
| Alice Ingham R C Primary School | 482 | 250 | 25 | 169 | 926 | 1,924 |
| St Gregory's R C Primary School | 403 | 223 | 19 | 117 | 762 | - |
| St Monica's R C High School | 314 | 106 | 24 | 26 | 470 | - |
| Central services | 42 | 34 | 23 | 179 | 278 | 24 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,095 | 1,253 | 145 | 725 | 4,218 | 2,812 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £000 |
|--|-------------------------------|--------------------------------------|---------------------|------------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 832 | 832 |
| Current assets | 402 | 680 | - | 1,082 |
| Creditors falling due within one year | - | (620) | - | (620) |
| Creditors falling due after one year | - | (60) | - | (60) |
| Defined benefit pension liability | - | (3,458) | - | (3,458) |
| Total net assets | 402 | (3,458) | 832 | (2,224) |
| Fund balances at 31 August 2019 are represented by: | | | | |
| Tangible fixed assets | - | - | 58 | 58 |
| Current assets | 130 | 203 | 788 | 1,121 |
| Creditors falling due within one year | - | (203) | - | (203) |
| Defined benefit pension liability | - | (867) | - | (867) |
| Total net assets | 130 | (867) | 846 | 109 |

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £144,245 were payable to the schemes at 31 August 2020 (2019: Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £307,970 (2019: £238,290).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension 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 19.7% for employers and 5.5 to 10.5% for employees.

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

| Total contributions made | 2020 £000 | 2019 £000 |
|--------------------------|--------------|--------------|
| Employer's contributions | 191 | 134 |
| Employees' contributions | 53 | 37 |
| Total contributions | 244 | 171 |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2020 % | 2019 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.0 | 3.1 |
| Rate of increase for pensions in payment/inflation | 2.2 | 2.3 |
| Discount rate for scheme liabilities | 1.7 | 1.9 |

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

| | 2020 Years | 2019 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 20.5 | 20.6 |
| - Females | 23.1 | 23.1 |
| Retiring in 20 years | | |
| - Males | 22.0 | 22.0 |
| - Females | 25.0 | 24.8 |

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2020 | 2019 |
|----------------------|-------|------|
| Discount rate - 0.1% | 205.8 | |
| CPI rate + 0.1% | 175.2 | |

The academy trust's share of the assets in the scheme

| | 2020 Fair value £000 | 2019 Fair value £000 |
|------------------------------|----------------------------|----------------------------|
| Equities | 2,952 | 1,039 |
| Bonds | 695 | 229 |
| Property | 304 | 122 |
| Other assets | 390 | 138 |
| Total market value of assets | 4,341 | 1,528 |

The actual return on scheme assets was £(23,000) (2019: £66,000).

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 19 Pension and similar obligations | | (Continued) | |
|--|--|--------------------|--------------|
| Amount recognised in the Statement of Financial Activities | | 2020 | 2019 |
| | | £000 | £000 |
| Current service cost | | 398 | 227 |
| Past service cost | | - | 26 |
| Interest income | | (40) | (38) |
| Interest cost | | 66 | 50 |
| Total operating charge | | <u>424</u> | <u>265</u> |
| Changes in the present value of defined benefit obligations | | | 2020 |
| | | | £000 |
| At 1 September 2019 | | | 2,395 |
| Transferred in on existing academies joining the academy trust | | | 4,625 |
| Current service cost | | | 398 |
| Interest cost | | | 66 |
| Employee contributions | | | 53 |
| Actuarial loss | | | 268 |
| Benefits paid | | | (6) |
| At 31 August 2020 | | | <u>7,799</u> |
| Changes in the fair value of the academy trust's share of scheme assets | | | 2020 |
| | | | £000 |
| At 1 September 2019 | | | 1,528 |
| Transferred in on existing academies joining the academy trust | | | 2,598 |
| Interest income | | | 40 |
| Actuarial loss/(gain) | | | (63) |
| Employer contributions | | | 191 |
| Employee contributions | | | 53 |
| Benefits paid | | | (6) |
| At 31 August 2020 | | | <u>4,341</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (2,002) | 678 |
| Adjusted for: | | |
| Net deficit on conversion to academy | 1,788 | - |
| Capital grants from DfE and other capital income | - | (826) |
| Finance costs payable | 6 | - |
| Defined benefit pension costs less contributions payable | 207 | 119 |
| Defined benefit pension scheme finance cost | 26 | 12 |
| Depreciation of tangible fixed assets | 64 | 22 |
| (Increase)/decrease in debtors | (171) | 57 |
| Increase in creditors | 444 | 14 |
| Net cash provided by operating activities | 362 | 76 |

21 Major non-cash transactions

During the year the trust inherited Local Government Pension Scheme deficits amounting to £2,027k on the acquisition of St Gregory's R C Primary School and St Monica's R C High School.

22 Analysis of changes in net funds

| | 1 September 2019 £000 | Cash flows £000 | Schools acquired £000 | 31 August 2020 £000 |
|--|-----------------------------|--------------------|-----------------------------|---------------------------|
| Cash | 155 | 243 | 239 | 637 |
| Loans falling due within one year | - | (4) | - | (4) |
| Loans falling due after more than one year | - | (29) | - | (29) |
| | <u>155</u> | <u>210</u> | <u>239</u> | <u>604</u> |

23 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2020 £000 | 2019 £000 |
|-----------------------------------|--------------|--------------|
| Amounts due within one year | 7 | - |
| Amounts due in two and five years | 2 | - |
| | <u>9</u> | <u>-</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Related party transactions

No related party transactions took place in the period of account other than certain trustees' expenses already disclosed in note 10.

25 Post balance sheet events

Our Lady & St Paul RC Primary School, Rochdale joined the academy trust on 1st October 2020.

St Gabriel's RC High School, Bury joined the academy trust on 1st November 2020.

The local authority have yet to finalise the transfer of balances and no indicative figures are available. The full financial effect of the conversions therefore may not be fully quantified at this time. Fund accounts for the two schools of the following will transfer:

Our Lady & St Paul's - £2,463

St Gabriel's - £171,607

26 Members' liability

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

27 Conversion to an academy

On 1 December 2019 St Gregory's R C Primary School and on 1 August 2020 St Monica's R C High School were transferred to the St Teresa of Calcutta Catholic Academy Trust. All the operations and assets and liabilities were transferred to St Teresa of Calcutta Catholic Academy Trust from the Bolton and Bury Local Authorities for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

| Academy | Location | Date of conversion |
|---------------------------------|-----------------|---------------------------|
| St Gregory's R C Primary School | Bolton | 1 December 2019 |
| St Monica's R C High School | Bury | 1 August 2020 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(Continued)

| | Unrestricted funds | Restricted funds: | | Total |
|--------------------------------------|--------------------|-------------------|-------------|----------------|
| | | General | Fixed asset | 2020 |
| Funds surplus/(deficit) transferred: | £000 | £000 | £000 | £000 |
| LA budget funds | 195 | 44 | - | 239 |
| LGPS pension funds | - | (2,027) | - | (2,027) |
| | <u>195</u> | <u>(1,983)</u> | <u>-</u> | <u>(1,788)</u> |