

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 2021

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 (Resigned 31 August 2021)
Catherine Anderson (Acting Chair January - March 2021) (Resigned
31 August 2021)
Brendan Duffy
Martin Johnson (Ex Officio - resigned 31/08/2021) (Appointed 1
September 2021)
Jonathan Walsh (Appointed 4 December 2020)
Brian Peart

Senior management team

- Interim Catholic Senior Executive Leader	Martin Johnson (end of appointment 31 August 2021)
- Interim Catholic Chief Operations Officer and Accounting Officer	Monica Walczak (end of appointment 31 August 2021)
- Catholic Senior Executive Leader/ Accounting Officer	Christopher Foley (appointed 1 September 2021)
- Director of Finance (Chief Financial Officer)	Kathleen Connolly (appointed 2 November 2020)
- Headteacher, Alice Ingham	Donna Malcolm
- Headteacher, St Gregory's	Kelly Watson
- Headteacher, St Patrick's	Kathryn Bishop (maternity leave from 1 May 2021)
- Headteacher, St Patrick's	Joanna Riley (interim from 1 May 2021)
- Headteacher, St Monica's	Christopher Foley (resigned 31 August 2021)
- Headteacher, St Monica's	Emma Keenan (appointed 1 September 2021)
- Headteacher, Our Lady & St Paul	Marie Gavin (from 1 October 2020)
- Headteacher, St Gabriel's	Lisa Corrigan (from 1 November 2020)

Company secretary

Kathleen Connolly (appointed 2 November 2020)

Company registration number

10856800 (England and Wales)

Principal and registered office

St Monica's RC High School
Bury Old Road
Prestwich
Manchester
M25 1JH

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

St Patrick's R C Primary School

Location

Rochdale

Headteacher

Kathryn Bishop (Joanna Riley
- interim since 1 May 2021)

Alice Ingham R C Primary School

Rochdale

Donna Malcolm

St Gregory's R C Primary School

Bolton

Kelly Watson

St Monica's R C High School

Bury

Emma Keenan

Our Lady & St Paul's RC Primary School

Rochdale

Marie Gavin

St Gabriel's RC High School

Bury

Lisa Corrigan

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 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 4 primary schools in Rochdale and Bolton and 2 secondary schools in Bury. Its schools have a combined capacity of 3,113 and had a roll of 3,019 in the school census on 21st January 2021.

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 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.

The principal activities and objectives of the Trust are specifically restricted in the advancement of the Catholic religion in the Diocese. By such means as the Diocesan Bishop make see fit and proper, but without prejudice, to the generality of the forgoing, the establishing, maintaining, carrying on, managing and developing of Catholic schools in the UK, conducted in accordance with the principals and subject to the regulation and discipline of the Catholic church.

All our schools are recognisably Catholic schools, with an ethos and values underpinning their work that reflect that.

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 £10,000,000 and is reviewed annually as part of the whole Trust review of insurances.

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 (CAT).

The Members of St Teresa of Calcutta Catholic Academy Trust are responsible for the appointment of the Trust Board.

The Bishop of Salford appoints foundation Directors since they are the Bishop's representatives on the Board. Other Directors are appointed by the Board following a recruitment process to secure the right skill set. All Trustees/Governors are appointed based upon the contribution they can make to the development and future success of the Trust. This is assessed through a short application and meeting. No Trustees or Governors receive remuneration for their services other than reasonable out of pocket expenses.

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

The term of office for any Director is 4 years and, subject to remaining eligible, the Directors may be re-appointed.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

A Diocesan training programme is in place and new directors are inducted into the working of the Trust, including policies and procedures. The training and induction provided will depend on the individual's skill set and experience. Where appropriate, induction will include training on educational, charity, legal and financial matters (with copies of policies, procedures, minutes, budget plans, management accounts and other appropriate documentation).

Organisational structure

The organisational structure of the Trust is based on the principles that the Members of the Company define the Object, Purpose and Ethos of the Company.

The Trustees, who form the Trust Board, have overall responsibility and ultimate decision-making authority for all the work of the Company, including the establishing and running of schools and, in particular, each academy as a school.

This is largely exercised through strategic planning and the setting of policy. It is managed through the business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes. The Trustees have the power to direct change where required to ensure that the Object, Purpose and Ethos of the Company are met. The Trustees delegate their responsibilities for the day to day operation of each school and the whole of the vast majority of funding granted by the Department of Education for the benefit of the school directly to a Head Teacher and Local Governing Body (LGB) through a Scheme of Delegation.

The Executive Team, consisting of the Interim Catholic Senior Executive Leader (CSEL), the Interim Catholic Chief Operating Officer (CCOO) and the Chief Finance Officer (CFO) manage the Trust/schools at an executive level by implementing the policies laid down by the Board and reporting back to them regularly. The Head Teachers across the Trust are responsible for the authorisation of spending within agreed budgets and the appointment of most staff at their school. Some spending control is devolved to members of their Senior Leadership Team with financial limits above which a Senior Manager must countersign. Individual school Senior Leadership Teams (SLT) include the Head Teacher, the Deputy or Assistant Head Teacher and the Business Managers. These managers are responsible for the day-to-day operation of the school, in particular, organising teaching staff, facilities and students. During the period, the Trust consisted of the following schools:

- St Patrick's RC Primary School, a Catholic Voluntary Academy, Rochdale (1 October 2017)
- Alice Ingham RC Primary School, a Catholic Voluntary Academy, Rochdale (1 October 2017)
- St Gregory's RC Primary School, Bolton (1 December 2019).
- St Monica's RC High School, Prestwich, Bury (1 August 2020)
- Our Lady and St Paul RC Primary School, Rochdale (1 October 2020)
- St Gabriel's RC High School, Bury (1 November 2020)

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Directors' Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finances and estates. The Trust has a Finance, Audit and Resources Committee to support this role, and includes the responsibilities of the audit committee.

The sub-committee for the review of standards was subsumed within the main Board during the year, this will be a separate sub-committee in 2021-22. A sub-committee for Leadership Pay is in place. The Trust is also the Admissions Authority and employer of all Schools within the Trust.

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

St Teresa's is a developing 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 Council.

The Trust has two interim part-time officers, a Catholic Senior Executive Leader (CSEL), who is seconded to the Trust and a Catholic Chief Operating Officer (CCOO). Due to the requirement for the Accounting Officer to be employed by the Trust, the CCOO has assumed the Accounting Officer role.

A permanent Finance Director, who is the Chief Financial Officer, was appointed on 2nd November 2020. A permanent CSEL, who will be the Accounting Officer, has been appointed from 1st September 2021.

All school appointments are made locally, except the Head and Deputy, and in the high schools the Head of Religious Studies and the School Chaplain. These appointments are made in conjunction with and the approval of the Directors and the Diocese.

Arrangements for setting pay and remuneration of key management personnel

Head teachers and other educational senior leaders are paid by reference to national leadership pay scales. Salary ranges are currently aligned to the three local authority pay scales following the TUPE transfer of staff into the Trust.

The CCOO, CFO and CSEL are on salary ranges agreed by the Trust Board after benchmarking against similar sized MATs. Recommendations for CSEL and Executive Pay are made by the Pay Committee, following a review process.

A review of Headteacher performance against objectives is carried out annually during the Autumn Term and pay recommendations are then put to the Pay Committee of the Trust for moderation and ratification. Headteacher pay awards are made within the relevant ISR set for the Headteacher on appointment. Objectives are set according to the priorities set out in the Trust Strategic Plan as interpreted by the relevant School Improvement Plan.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	11,172
Total pay bill	12,636,755
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	6%
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Engagement with employees

The Trust continuously seeks to encourage the involvement of its employees in its management through regular staff meetings in order to challenge educational and social disadvantage.

The Trust is fortunate to employ a talented and dedicated workforce. Staff, parents and pupils are valued by what they bring to the trust community. All staff are committed to empowering our students to make positive contributions by opening opportunities to learning. The Trust is committed to prohibit discrimination on the grounds of disability in all employment matters, this includes seeking to increase employment opportunities for people who have a disability and to ensure that its recruitment and selection processes are fully accessible. Applications for posts are monitored for compliance with the Equality Act and reasonable adjustments made for staff where identified. All staff, children, young people, visitors and contractors are expected to treat people with disabilities with respect. If an individual feels that they have been discriminated against or harassed on the grounds of disability, they will be encouraged to report the incident and will be supported in doing so.

The Trust will employ disabled persons when they appear to be suitable for the role and every effort is made to ensure they are given full and fair consideration. There are policies in place (Equality and Diversity policy, health and safety policy etc.) so that employees who have been injured or disabled during the course of their employment can, where possible, continue with their employment.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 particular during the financial year, 2020-21, the Trust worked 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

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:

- 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

Schools across the Trust work with the Comino Foundation, an grant-giving education charity.

Senior Trust staff have undertaken catholic leadership training at The National School of Formation (NSF), supported by EducareM. One of the Trust's Foundation Director's is a director of the NSF and the interim CSEL is an accredited trainer at the NSF. 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 2021

Objectives and activities

Objects and aims

The St Teresa of Calcutta Catholic Academy Trust exists to secure 3-16 Catholic Education in the Diocese of Salford and to make God known to all through the advancement of the Catholic faith. The Trust runs faith schools, which nurture every child to fulfil their maximum potential academically, personally and through first class pastoral support, reflective of our Catholic values

Our Trust aspires to serve, sustain and inspire our children and young people within our schools. Our vision is to be living faith communities, walking with Christ, to witness, serve and transform. Our communities model the life and teachings of Jesus. We aim to form children and young people, so they can achieve academic excellence and spiritual and moral growth.

Within our schools, whilst we give preference to Catholic children and young people we have spaces available for children and young people of other faiths or none and we welcome the opportunity this brings to learn and to share experiences. We have a culture of acceptance where people of diverse identities are recognised, welcomed, respected and cherished. We seek to make a difference to all groups of children and young people, especially ensuring the most vulnerable in our society are not disadvantaged. Our schools work in partnership with families and parishes to promote strong, positive links. Every school in the Trust is on a journey of continual improvement, aspiring for excellence year-on-year.

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.

As a Trust, we are courageous on behalf of our schools, giving them new opportunities and enabling them to excel through strong support and by putting the weight of a large organisation behind them for the benefit of our children and young people. We value each school's individual character as the schools value each child and young person as an individual -irrespective of background or characteristics - and we take decisions about centralisation, standardisation and local discretion based on what is best for our children and young people.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

The Trust Strategic Development Plan set out in 2019 for the period to 2024; had three main 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.

Due to the continued impact of the COVID pandemic, the business of the trust focused primarily on the planned expansion of two schools joining the Trust which had been delayed from 2019/20. The 2020/21 year has therefore seen a period of stability, which has allowed the Trust to focus on the consolidation of the six schools now within the Trust. The focus on consolidation, along with the implementation of a new strategic plan, will continue following the appointment of the new permanent Catholic Senior Executive Leader on 1st September 2021.

The Trust has seen significant growth and we are therefore engaged in a major programme of work to embed new processes and procedures to ensure that we realise the benefits of being part of a Trust and so optimise the ability of our schools to spend valuable resources – whether people or money – where it matters.

The Trust engaged the services of two Performance Leads and they have begun to make an impact already, supporting our schools to improve. We are seeing more sharing of expertise and more informal support for our staff, personally and professionally, in carrying out the critical work they do.

The Trust is committed to working with partners to be outward facing, identifying organisations that we can work with to improve the life chances of our children and the professional lives of our staff.

As our schools continue their school improvement journey and move towards inspection, the Trust is putting resource and energy into continually improving our schools, ensuring a broad and balanced curriculum and focusing on areas that need development as well as highlighting a sharing areas of strength.

Public benefit

The Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the Trust, and have complied with the guidance issued by the Charity Commission relating to public benefit. The Trust is keen to emphasise the public benefit provided by the trust, which can be seen by the activities, and performance outlined within the trustees report.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Published educational performance data had been on the hold during the COVID-19 pandemic given the disruption to children's education due to restrictions. In particular pupils in the high schools have had significant impact due to COVID-19 linked pupil isolation periods. Despite this each of our schools have continued to drive standards.

At Alice Ingham Primary school 88% of Year 2 pupils meet the standard in the phonics screening check. Children at the school also had opportunities to play in the Rochdale Music festival in the percussion section, and worked with MUFC coaches. Year 4 pupils made their First Holy Communion, a key milestone in their faith development.

St Gregory's Primary school supported the Bolton LA Early Years team by share their home learning platform with other Bolton schools as an example of good practice and 92 of Year 2 pupils met the standard in the Phonics Screening Check. Y5 pupils made their First Reconciliation and their First Holy Communion.

Children at Our Lady and St Paul's Primary school completed the sacramental programme in both Year 3 and Year 4, and 79% of pupils in Year 2 met the standard in the phonics screening check. New appoints to leadership posts have been made at these schools to continue the focus on raising standards.

At St Patricks RC Primary School 88 of Year 2 pupils met the standard in the Phonics screening check, and children in Year 3 and Year 4 have begun the sacramental programme. The school was also awarded the RHS Level 3 Gardening Award for a project completed in Lower Key Stage 2. Pupils have also had the opportunity to take swimming lessons.

In all Primary schools the Trust has developed relationships to support investment in buildings and the learning environment for the benefit of the children we serve.

Across our secondary schools' pupils in Year 11 received strong GCSE grades. At St Gabriel's RC High School 88% of young people achieved grade in both English and Mathematics, and at St Monica's RC High School 79% achieved this threshold. Outcomes at grade 5 in English at Mathematics were also positive. 67% of young people at St Gabriel's and 54% at St Monica's achieved this.

St Gabriel's continues to improve and external reviews have not the school is now unrecognisable from 2019. Young people across the school benefit from opportunities to work with the Salford Diocese in tree planting. They have worked with the Comino foundation and a poem from one of the schools' students was selected to be read at the Manchester Human Rights Festival.

St Monica's is also continuing to improve and relationships between pupils and staff were found to be strong during a developmental peer review. Young people are also benefitting from work with the Comino foundation, with a number of Key Stage 4 students working with the Robert F Kennedy foundation photography project. The Local MP also visited St Monica's to share his experience of parliament with the school council. Across both secondary schools Year 8 pupils were supported by staff as they completed the Diocesan confirmation programme.

All Trust schools have worked tirelessly to manage and support their communities as part of the response to the pandemic. Ensuring the most vulnerable were supported in all schools was a key priority, and wholly in keeping with the Catholic mission of the Trust.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

Two schools, one primary and one secondary joined the Trust in the year, increasing the Trust family to six schools.

There have been no Ofsted inspections in the year. External reviews across the year suggest all schools have improved since joining the Trust

Membership of the board of directors has increased by one. The skills audit of the governance highlight strength in:

- Educational leadership;
- Governance
- HR and contract procurement
- Financial management and audit

Going concern

The financial position of the Trust has been monitored during the latter part of the year, following the introduction of new budgeting software for all schools. Further financial and non-financial indicators will be introduced as the Trust develops. During the year the Trust developed a rigorous budget process for the three year period from 2021-22.

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 recurrent grants, the use of which are restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown in the Statement of Financial Activities.

The Trust has had two schools join during the year, giving rise to income inherited on conversion and start up grants of £1,152k. In addition, the Trust has had non-recurrent grants in the period of £328k. These grants primarily arise from COVID-19 funding from Catch-up Premium, Mass testing funding and free school meals one off payment.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust also receives grants for fixed assets from the Department for Education. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The Trust received capital grants in year of £973k and IT equipment gifted from the DfE valued at £137k.

During the period ended 31 August 2021, total expenditure of £17,375k (2020 - £4,282k) 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 £2,234k (2020 - £272k). During the period there was an actuarial loss on the LGPS pension scheme of £1,555k (2020 - £331k).

The balance sheet discloses cash and bank balances of £2,748k for the period ended 31 August 2021.

The total value of funds held by the Trust at 31 August 2021 is a deficit of £2,918k and is disclosed in full on page 33.

The balance of restricted general funds (excluding the pension reserve), plus the balance on unrestricted funds at 31 August 2021, shown on page 29 would be a net surplus of £2,636k.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 has approved a new reserves policy to be implemented from 1st September 2021. Individual schools within the Trust are expected to set a budget each year using the GAG and other grants and match expenditure to that income. Any deficit budget that is forecast must be accompanied by a deficit recovery plan to ensure the long term financial stability of the school. It is expected that each school will generate and contribute to a level of central reserves. A central contingency is available to fund any short term resource needs will be held. This will be set at £50,000 and will be reviewed annually as part of the budget setting process.

In order to alleviate the financial risks identified and guarantee the continued activities of its schools, the Trust will accumulate a minimum reserve of 3% of total annual GAG income across the Trust up to a maximum of 10%. The aspirational reserves target would be one month's operating costs for each school, around 8% of GAG. However, as Trust schools are in different financial and operational positions, each school will be reviewed on an individual basis with reference to their funding needs and requirements.

The target level of reserves should ensure that sufficient funds are held to enable the Trust to manage, in the short term, any financial risk that may result from, but not restricted to the following:

- Contribution to capital projects planned or in development
- Planned investment in educational initiatives and new projects to further the objectives of the Trust.
- Anticipated downward movements in pupil numbers for example, a low cohort going through all school years
- Financial commitments made but not yet come to fruition, for example, grants received but not yet expended, ICT infrastructure costs
- Cash flow requirement
- Setting aside funds for a forthcoming change in legislation
- Financial pressures outside of Trust control, for example, Pension Employer Contribution Rates or National Insurance rates
- Contingency against unforeseen events
- Where the school is growing and needs to build capacity in advance of need
- As a safety net against reduced funding to allow time for correction of the organisational structure, settlement of any short term deficit and subsequent restructuring costs

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 Trust is confident that it can meet the required pension contributions from projected future income without a significant impact on its planned level of activity. The risk surrounding the Trust's pension liability has been taken into consideration when preparing the annual budgets and, therefore, the Trust's reserves requirement will continue to be calculated without setting aside a designated reserve to cover the pension liability.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations. Alongside the Reserves Policy, the Trust has approved a new investment policy to be implemented from 1st September 2021. The board anticipate that the Trust will have surplus cash available, both as a result of cashflow planning and also the implementation of a reserves policy that maintains a suitable amount of reserves. Such surplus cash will be invested to ensure that the Trust receives an acceptable income stream without putting at risk the funds that belong to the Trust. Funds will start to be invested as follows during the course of 2021/22.

- Working capital to be invested in a Lloyds bank current account or equivalent. A balance of at least one month's salary costs should be maintained.
- Surplus cash should be invested in a mixture of accounts as set out below with Lloyds bank or a similar UK-based banking provider to earn higher interest rates than on the current account and to stagger easy access to funds over the year to meet cashflow requirements. Deposits should not exceed 12 months.

Principal risks and uncertainties

The principal risks identified for the Trust during the next few years will be the fluctuation in pupil numbers and any impact from changes to national funding. The lagged effect of funding pupil places, means that tight budget monitoring is key. The lasting impact of COVID-19, in particular on primary attainment has been flagged as a risk for child development and attainment. There is further uncertainty due to the on-going debate around national priority.

The Trust's exposure to financial risk is mainly in respect of bank balances, cash and trade creditors, with limited trade debtors. The Academy Trust has inherited the Local Government Defined Benefit Pension Scheme deficit for support staff of the school.

The Trustees have assessed the major risks to which the Academy Trust is exposed, and in particular those related to core operations and financial viability of the Academy Trust. Trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Risk Register is reviewed regularly and local risk registers are now in place to feed up into the Trust risk register.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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.

As Trustees, we have reviewed and taken account of guidance in the DfE's Governance Handbook and competency framework for governance.

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.

An external clerking service was appointed in November 2020 to provide a professional service for the Trust committees and LGB's. Meetings were held via Teams, as were the majority of LGB meetings during the year.

Trustees	Meetings attended	Out of possible
Catherine Marie Garside (Chair)	6	7
Angela Ager (Resigned 31 August 2021)	10	11
Catherine Anderson (Acting Chair January - March 2021) (Resigned 31 August 2021)	8	11
Brendan Duffy	10	11
Martin Johnson (Ex Officio - resigned 31/08/2021) (Appointed 1 September 2021)	11	11
Jonathan Walsh (Appointed 4 December 2020)	8	9
Brian Peart	11	11

The purpose of the board is to:

- 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 Academy Trust.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to: Attendance at meetings in the year was as follow:

Its purpose is to

- 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

Trustees	Meetings attended	Out of possible
Angela Ager (Resigned 31 August 2021)	4	4
Catherine Anderson (Resigned 31 August 2021)	4	4
Brian Peart (Chair)	4	4
Jonathan Walsh (Appointed 4 December 2020)	4	4

Review of value for money

As Accounting Officer, the CCOO/CSEL has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how St Teresa of Calcutta Catholic Academy Trust uses its resources and has provided good value for money during each academic year and reports to the Trust Board where value for money can be improved, including the use of benchmarking data where available.

The Trust, through the executive officers, has started to implement procedures and processes to deliver value for money through improved procurement initiatives and centralisation of support functions, where appropriate.

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 polices, 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 polices, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically The system of internal control has been in place in St Teresa of Calcutta Catholic Academy trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

The Trust benefits from the provision of an independent internal audit service provided by Beevers and Struthers, appointed in Spring 2021. Two audits have been undertaken in year on Safeguarding and Key Financial Controls.

The Trust receives support throughout the year from its External Auditors on compliance and accounting practices.

The Finance, Audit and Resources Committee receive regular management accounts and balance sheet reports. Compliance with the Scheme of Delegation is also monitored by the Finance, Audit and Resources Committee, The Trust Board approved the budget bearing in mind the requirement to achieve a balanced budget and to ensure that the Trust remains a "going concern". The Trust Board also receives and approves the Trustees annual report and accounts together with the external auditor's management Letter.

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 2021

Opinion

We have audited the accounts of St Teresa of Calcutta Catholic Academy Trust for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 2021

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.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 2021

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 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 2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	3	-	24	1,534	1,558	81
Charitable activities:						
- Funding for educational operations	4	-	17,223	-	17,223	3,863
Other trading activities	5	442	-	-	442	124
Total		<u>442</u>	<u>17,247</u>	<u>1,534</u>	<u>19,223</u>	<u>4,068</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	14	17,269	92	17,375	4,282
Donations - transfer from local authority on conversion	26	(1,039)	2,109	(83)	987	1,788
Total	6	<u>(1,025)</u>	<u>19,378</u>	<u>9</u>	<u>18,362</u>	<u>6,070</u>
Net income/(expenditure)		1,467	(2,131)	1,525	861	(2,002)
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(1,555)	-	(1,555)	(331)
Net movement in funds		1,467	(3,686)	1,525	(694)	(2,333)
Reconciliation of funds						
Total funds brought forward		402	(3,458)	832	(2,224)	109
Total funds carried forward		<u>1,869</u>	<u>(7,144)</u>	<u>2,357</u>	<u>(2,918)</u>	<u>(2,224)</u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted	Restricted funds: Endowment			Total
		funds	General	Fixed asset	funds	2020
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	80	1	-	-	81
Charitable activities:						
- Funding for educational operations	4	2	3,861	-	-	3,863
Other trading activities	5	115	9	-	-	124
Total		<u>197</u>	<u>3,871</u>	<u>-</u>	<u>-</u>	<u>4,068</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	4,218	64	-	4,282
Donations - transfer from local authority on conversion	26	(195)	1,983	-	-	1,788
Total	6	<u>(195)</u>	<u>6,201</u>	<u>64</u>	<u>-</u>	<u>6,070</u>
Net income/(expenditure)		392	(2,330)	(64)	-	(2,002)
Transfers between funds	17	(120)	70	50	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(331)	-	-	(331)
Net movement in funds		272	(2,591)	(14)	-	(2,333)
Reconciliation of funds						
Total funds brought forward		130	(867)	846	-	109
Total funds carried forward		<u>402</u>	<u>(3,458)</u>	<u>832</u>	<u>-</u>	<u>(2,224)</u>

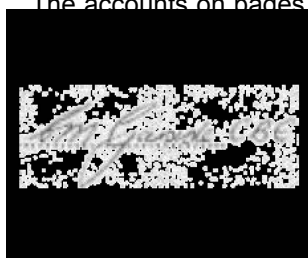
ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	12		2,248		832
Current assets					
Debtors	13	1,513		445	
Cash at bank and in hand		2,748		637	
		<u>4,261</u>		<u>1,082</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,453)		(620)	
		<u></u>		<u></u>	
Net current assets			2,808		462
			<u></u>		<u></u>
Total assets less current liabilities			5,056		1,294
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	15		(63)		(60)
			<u></u>		<u></u>
Net assets before defined benefit pension scheme liability			4,993		1,234
			<u></u>		<u></u>
Defined benefit pension scheme liability	19		(7,911)		(3,458)
			<u></u>		<u></u>
Total net liabilities			(2,918)		(2,224)
			<u></u>		<u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			2,357		832
- Restricted income funds			767		-
- Pension reserve			(7,911)		(3,458)
			<u></u>		<u></u>
Total restricted funds			(4,787)		(2,626)
			<u></u>		<u></u>
Unrestricted income funds	17		1,869		402
			<u></u>		<u></u>
Total funds			(2,918)		(2,224)
			<u></u>		<u></u>

The accounts on pages 27 to 52 were approved by the trustees and authorised for issue on 16 December 2021
on behalf by:



Company Number 10856800

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £000	£000	2020 £000	£000
Cash flows from operating activities					
Net cash provided by operating activities	21		1,024		362
Cash funds transferred on conversion			1,039		239
			<u>2,063</u>		<u>601</u>
Cash flows from investing activities					
Capital grants from DfE Group		1,372		692	
Capital funding received from sponsors and others		62		-	
Purchase of tangible fixed assets		(1,508)		(838)	
		<u></u>		<u></u>	
Net cash used in investing activities			(74)		(146)
Cash flows from financing activities					
Salix loan repayment		(3)		33	
New CIF loans		42		-	
Finance costs		-		(6)	
		<u></u>		<u></u>	
Net cash provided by financing activities			39		27
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			2,028		482
Cash and cash equivalents at beginning of the year			637		155
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>2,665</u>		<u>637</u>
			<u></u>		<u></u>
ERROR - Figure differs from expected balance by:			(83)		-
Figure should equal:			2,748		637

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 26.

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 2021

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 2021

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
Plant and machinery	15 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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 of services it must provide.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

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 19, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	1,494	1,494	-
Other donations	-	64	64	81
	-----	-----	-----	-----
	-	1,558	1,558	81
	=====	=====	=====	=====

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
DfE / ESFA grants				
General annual grant (GAG)	-	14,010	14,010	3,022
Other DfE / ESFA grants:				
Pupil premium	-	719	719	287
Others	-	1,549	1,549	385
	-----	-----	-----	-----
	-	16,278	16,278	3,694
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	513	513	150
Special educational projects	-	-	-	17
	-----	-----	-----	-----
	-	513	513	167
	=====	=====	=====	=====
Covid-19 additional funding				
Mass testing	-	88	88	-
Catch-up premium	-	202	202	-
	-----	-----	-----	-----
	-	290	290	-
	=====	=====	=====	=====
Other incoming resources	-	142	142	2
	=====	=====	=====	=====
Total funding	-	17,223	17,223	3,863
	=====	=====	=====	=====

The Trust received £202k of funding for catch-up premium and £88k for mass testing. Costs incurred in respect of this funding totalled £239k, with the remaining £51k catch-up premium to be spent in 2021-22.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities (can modify)	238	-	238	-
Catering income	98	-	98	29
Trip income	-	-	-	7
Other income	106	-	106	88
	<u>442</u>	<u>-</u>	<u>442</u>	<u>124</u>

6 Expenditure

	Staff costs £000	Non-pay expenditure Premises £000	Other £000	Total 2021 £000	Total 2020 £000
Academy's educational operations					
- Direct costs	10,204	-	636	10,840	2,277
- Allocated support costs	3,844	1,297	1,394	6,535	2,005
	<u>14,048</u>	<u>1,297</u>	<u>2,030</u>	<u>17,375</u>	<u>4,282</u>

Net income/(expenditure) for the year includes:	2021 £000	2020 £000
Fees payable to auditor for:		
- Audit	33	14
- Other services	10	9
Operating lease rentals	21	3
Depreciation of tangible fixed assets	92	64
Bank and loan interest	-	6
Net interest on defined benefit pension liability	95	26
	<u>251</u>	<u>225</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 5%.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Central services (Continued)

The amounts charged during the year were as follows:	2021	2020
	£000	£000
St Patrick's R C Primary School	65	44
Alice Ingham R C Primary School	40	26
St Gregory's R C Primary School	49	21
St Monica's R C High School	287	24
Our Lady & St Paul's RC Primary School	42	-
St Gabriel's RC High School	225	-
	<u>708</u>	<u>115</u>
	<u><u>708</u></u>	<u><u>115</u></u>

8 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2021	2020
	£000	£000	£000	£000
Direct costs				
Educational operations	-	10,840	10,840	2,277
Support costs				
Educational operations	14	6,521	6,535	2,005
	<u>14</u>	<u>17,361</u>	<u>17,375</u>	<u>4,282</u>
	<u><u>14</u></u>	<u><u>17,361</u></u>	<u><u>17,375</u></u>	<u><u>4,282</u></u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities (Continued)

	2021	2020
	£000	£000
Analysis of support costs		
Support staff costs	4,001	1,243
Depreciation	92	64
Technology costs	267	68
Premises costs	1,205	200
Legal costs	5	34
Other support costs	922	366
Governance costs	43	30
	<u>6,535</u>	<u>2,005</u>

9 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£000	£000
Wages and salaries	10,497	2,447
Pension costs	2,835	706
	<u>13,332</u>	<u>3,153</u>
Staff costs - employees	13,332	3,153
Agency staff costs	716	149
Staff restructuring costs	-	33
	<u>14,048</u>	<u>3,335</u>
Staff development and other staff costs	158	17
	<u>14,206</u>	<u>3,352</u>

Staff restructuring costs comprise:

Redundancy payments	-	5
Severance payments	-	13
Other restructuring costs	-	15
	<u>-</u>	<u>33</u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff (Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	107	36
Administration and support	270	98
Management	12	3
	<u>389</u>	<u>137</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	8	1
£80,001-£90,000	1	-
£90,001-£100,000	1	-
	<u>10</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 £778,926 (2020: £346,454).

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 £39 were reimbursed during the year.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £ 5,000,000 on any one claim and the cost for the year ended 31 August 2021 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 2021

12 Tangible fixed assets

	Leasehold improvements	Assets under construction	Plant and machinery	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2020	403	24	398	164	-	989
Additions	322	909	-	241	36	1,508
At 31 August 2021	725	933	398	405	36	2,497
Depreciation						
At 1 September 2020	9	-	17	131	-	157
Charge for the year	20	-	27	45	-	92
At 31 August 2021	29	-	44	176	-	249
Net book value						
At 31 August 2021	696	933	354	229	36	2,248
At 31 August 2020	394	24	381	33	-	832

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

	2021 £000	2020 £000
Trade debtors	83	-
VAT recoverable	377	67
Other debtors	40	-
Prepayments and accrued income	1,013	378
	1,513	445

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Salix loans	4	4
CIF loans	5	-
Trade creditors	294	129
Other taxation and social security	237	125
Other creditors	396	159
Accruals and deferred income	517	203
	<u>1,453</u>	<u>620</u>

15 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Salix loans	26	29
CIF loans	37	-
Accruals and deferred income	-	31
	<u>63</u>	<u>60</u>

Analysis of loans

	2021 £000	2020 £000
Wholly repayable within five years	72	33
Less: included in current liabilities	(9)	(4)
Amounts included above	<u>63</u>	<u>29</u>

Loan maturity

Debt due in one year or less	9	4
Due in more than one year but not more than two years	9	4
Due in more than two years but not more than five years	28	12
Due in more than five years	26	13
	<u>72</u>	<u>33</u>

The Salix loans are to be repaid over 8 years and the CIF loans over 10 years.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Deferred income

	2021 £000	2020 £000
Deferred income is included within:		
Creditors due within one year	39	55
Creditors due after more than one year	-	31
	<u>39</u>	<u>86</u>
Deferred income at 1 September 2020	86	-
Released from previous years	(86)	-
Resources deferred in the year	39	86
Deferred income at 31 August 2021	<u><u>39</u></u>	<u><u>86</u></u>

At the balance sheet date the academy trust was holding funds amounting to £31k received in advance for UIFSM for 2020-21 and £8k in relation to revenue received in advance for trips.

17 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	-	14,010	(13,772)	-	238
Other DfE / ESFA grants	-	2,268	(1,739)	-	529
Other government grants	-	803	(803)	-	-
Other restricted funds	-	166	(166)	-	-
Pension reserve	(3,458)	(2,109)	(789)	(1,555)	(7,911)
	<u>(3,458)</u>	<u>15,138</u>	<u>(17,269)</u>	<u>(1,555)</u>	<u>(7,144)</u>
Restricted fixed asset funds					
Inherited on conversion	66	83	-	-	149
DfE group capital grants	766	1,494	(89)	(37)	2,134
Designated fixed asset fund	-	40	(3)	37	74
	<u>832</u>	<u>1,617</u>	<u>(92)</u>	<u>-</u>	<u>2,357</u>
Total restricted funds	<u><u>(2,626)</u></u>	<u><u>16,755</u></u>	<u><u>(17,361)</u></u>	<u><u>(1,555)</u></u>	<u><u>(4,787)</u></u>
Unrestricted funds					
General funds	402	1,481	(14)	-	1,869
Total funds	<u><u>(2,224)</u></u>	<u><u>18,236</u></u>	<u><u>(17,375)</u></u>	<u><u>(1,555)</u></u>	<u><u>(2,918)</u></u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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			Gains, losses and transfers	Balance at 31 August
	2019 £000	Income £000	Expenditure £000	£000	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					
Transfer 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
	<u>130</u>	<u>392</u>	<u>-</u>	<u>(120)</u>	<u>402</u>
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 2021

17 Funds

(Continued)

Total funds analysis by academy

	2021 £000	2020 £000
Fund balances at 31 August 2021 were allocated as follows:		
St Patrick's R C Primary School	21	(28)
Alice Ingham R C Primary School	14	(28)
St Gregory's R C Primary School	82	11
St Monica's R C High School	1,122	442
Our Lady & St Paul's RC Primary School	117	-
St Gabriel's RC High School	1,194	-
Central services	86	5
	<u>2,636</u>	<u>402</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	2,357	832
Pension reserve	(7,911)	(3,458)
	<u>(2,918)</u>	<u>(2,224)</u>
Total funds	<u><u>(2,918)</u></u>	<u><u>(2,224)</u></u>

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 2021 £000	Total 2020 £000
St Patrick's R C Primary School	963	419	52	241	1,675	1,782
Alice Ingham R C Primary School	530	221	26	205	982	926
St Gregory's R C Primary School	587	312	30	157	1,086	762
St Monica's R C High School	4,127	1,092	188	605	6,012	470
Our Lady & St Paul's RC Primary School	552	269	40	288	1,149	-
St Gabriel's RC High School	3,304	908	229	612	5,053	-
Central services	146	782	67	331	1,326	278
	<u>10,209</u>	<u>4,003</u>	<u>632</u>	<u>2,439</u>	<u>17,283</u>	<u>4,218</u>
	<u><u>10,209</u></u>	<u><u>4,003</u></u>	<u><u>632</u></u>	<u><u>2,439</u></u>	<u><u>17,283</u></u>	<u><u>4,218</u></u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 are represented by:				
Tangible fixed assets	-	-	2,248	2,248
Current assets	1,869	2,283	109	4,261
Creditors falling due within one year	-	(1,453)	-	(1,453)
Creditors falling due after one year	-	(63)	-	(63)
Defined benefit pension liability	-	(7,911)	-	(7,911)
Total net assets	1,869	(7,144)	2,357	(2,918)

	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)

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 2019.

Contributions amounting to £257,709 were payable to the schemes at 31 August 2021 (2020: £144,245) 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 2021

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 £1,199,970 (2020: £307,970).

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 20.5% to 22.7% for employers and 5.5 to 8.5% 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	2021	2020
	£000	£000
Employer's contributions	595	191
Employees' contributions	165	53
	<hr/>	<hr/>
Total contributions	760	244
	<hr/> <hr/>	<hr/> <hr/>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations	(Continued)	
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.65	3.0
Rate of increase for pensions in payment/inflation	2.90	2.2
Discount rate for scheme liabilities	1.65	1.7
	<u> </u>	<u> </u>
<p>The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:</p>		
	2021	2020
	Years	Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0
	<u> </u>	<u> </u>
Sensitivity analysis		
Scheme liabilities would have been affected by changes in assumptions as follows:		
	2021	2020
Discount rate - 0.1%	458	206
Mortality assumption + 1 year	694	
CPI rate + 0.1%	394	175
Salary rate +0.1%	56	27
	<u> </u>	<u> </u>
Defined benefit pension scheme net liability		
Scheme assets	9,429	4,341
Scheme obligations	(17,340)	(7,799)
	<u> </u>	<u> </u>
Net liability	(7,911)	(3,458)
	<u> </u>	<u> </u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £000	2020 Fair value £000
Equities	6,695	2,952
Bonds	1,414	695
Property	660	304
Cash	660	390
Total market value of assets	9,429	4,341

The actual return on scheme assets was £1,558,000 (2020: £(23,000)).

Amount recognised in the Statement of Financial Activities	2021 £000	2020 £000
Current service cost	1,286	398
Past service cost	3	-
Interest income	(120)	(40)
Interest cost	215	66
Total operating charge	1,384	424

Changes in the present value of defined benefit obligations	2021 £000	2020 £000
At 1 September 2020	7,799	2,395
Transferred in on existing academies joining the academy trust	4,891	4,625
Current service cost	1,286	398
Interest cost	215	66
Employee contributions	165	53
Actuarial loss	2,993	268
Benefits paid	(12)	(6)
Past service cost	3	-
At 31 August 2021	17,340	7,799

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2021 £000	2020 £000
At 1 September 2020	4,341	1,528
Transferred in on existing academies joining the academy trust	2,782	2,598
Interest income	120	40
Actuarial (gain)/loss	1,438	(63)
Employer contributions	595	191
Employee contributions	165	53
Benefits paid	(12)	(6)
At 31 August 2021	9,429	4,341

20 Major non-cash transactions

During the year the trust inherited Local Government Pension Scheme deficits amounting to £2,109k on the acquisition of Our Lady & St Paul's RC Primary School and St Gabriel's RC High School.

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

	2021 £000	2020 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	861	(2,002)
Adjusted for:		
Net deficit on conversion to academy	987	1,788
Capital grants from DfE and other capital income	(1,534)	-
Finance costs payable	-	6
Defined benefit pension costs less contributions payable	694	207
Defined benefit pension scheme finance cost	95	26
Depreciation of tangible fixed assets	92	64
(Increase) in debtors	(968)	(171)
Increase in creditors	797	444
Net cash provided by operating activities	1,024	362

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Analysis of changes in net funds

	1 September 2020 £000	Cash flows £000	31 August 2021 £000
Cash	637	2,111	2,748
Loans falling due within one year	(4)	(5)	(9)
Loans falling due after more than one year	(29)	(34)	(63)
	<u>604</u>	<u>2,072</u>	<u>2,676</u>

23 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	21	7
Amounts due in two and five years	33	2
	<u>54</u>	<u>9</u>

24 Related party transactions

During the year the trust spent £8,015 with EducareM (2020: £nil). At the year end the trust owed EducareM £1,995 (2020: £nil). Brendan Duffy is a member of the leadership team of EducareM and director of the National School of Formation (NSF). Martin Johnson provides training for EducareM on behalf of the Diocese.

NSF is supported by EducareM. NSF 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.

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

25 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Conversion to an academy

On 1 October 2020 Our Lady & St Paul's R C Primary and on 1 November 2020 St Gabriel's R C High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Teresa of Calcutta Catholic Academy Trust from Rochdale 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 charitable activities – 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
Our Lady & St Paul's RC Primary School	Rochdale	1 October 2020
St Gabriel's RC High School	Bury	1 November 2020

	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
Net assets transferred:				
Other tangible fixed assets	-	-	83	83
Cash	1,039	-	-	1,039
Pension scheme deficit	-	(2,109)	-	(2,109)
	<u>1,039</u>	<u>(2,109)</u>	<u>83</u>	<u>(987)</u>

	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	83	83
LA budget funds	1,039	-	-	1,039
LGPS pension funds	-	(2,109)	-	(2,109)
	<u>1,039</u>	<u>(2,109)</u>	<u>83</u>	<u>(987)</u>