

Company Registration No. 10856800 (England and Wales)

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

WEDNESDAY



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COMPANIES HOUSE

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

| | |
|--|--|
| - Bishop of Salford | The Right Reverend John Stanley Kenneth Arnold |
| - Chair of the Diocesan Trustees Academies Committee | Canon Michael Cooke VG |
| - Episcopal Vicar for Education | Canon Anthony McBride |
| - Director of Education for Diocese of Salford | Mr Simon Smith |
| - A Lay Member | Mrs Mary Hunter |

Trustees

Mr Brendan Duffy (Appointed 1 July 2018)
Mr Andrew Hutchison (Appointed 1 July 2018)
Mr Brian Peart (Appointed 1 July 2018)
Mrs Catherine Marie Garside (Appointed 7 July 2017)
Mr John McManus (Appointed 7 July 2017 and resigned 1 July 2018)

Executive leadership board

| | |
|-------------------------------|----------------------|
| - Headteacher, Partner School | Mrs Helen Arnold |
| - Headteacher, Partner School | Mr Andrew Bridston |
| - Chair of Directors | Mrs Maria Garside |
| - Head of School | Mrs Victoria Lord |
| - Head of School | Mrs Donna Malcolm |
| - Local Governing Board | Mr John McGrath |
| - Local Governing Board | Mrs Philippa Mulgrew |
| - Business Manager | Mrs Linda Skotnicki |

Senior management team

| | |
|--|-----------------------|
| - Executive Head Teacher | Mrs Monica Walczak |
| - Head of School, Standards | Mrs Victoria Lord |
| - Head of School, Standards | Mrs Donna Malcolm |
| - Deputy Head Teacher, Standards | Mr David Marshall |
| - Assistant Head Teacher, Inclusion | Mr Peter Mooney |
| - Assistant Head Teacher, Assessment and Standards | Mr Thomas Lomax |
| - Finance and Business Manager | Mrs Linda Skotnicki |
| - Governor Manager | Mrs Bernadette Jessop |

Company registration number

10856800 (England and Wales)

Registered office

St Patrick's Roman Catholic Primary School
Foxholes Road
Rochdale
OL120ET
United Kingdom

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|---|---|--|
| Academies operated St Patrick's R C Primary School Alice Ingham R C Primary School | Location Rochdale Rochdale | Principal Mrs V Lord Miss D Malcolm |
| Independent auditor | RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE | |
| Bankers | Lloyds Bank 1 Horsemarket Street Warrington WA1 1TP | |
| Solicitors | Browne Jacobson 14th Floor No. 1 Spinningfields 1 Hardman Square Manchester M3 3EB | |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 7 July 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two primary academies for pupils aged 4 to 11 serving a catchment area in Rochdale. They have a combined pupil capacity of 500 and had a roll of 470 in the school census in September 2018. The academies converted to academy trust status on 1 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The charitable company operates as St Teresa of Calcutta Catholic Academy Trust. It is made up of two academies: St Patrick's RC Primary School, a Catholic Voluntary Academy, and Alice Ingham RC Primary School, a Catholic Voluntary Academy.

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 period, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

The recruitment of Directors extends across the Diocese and the Parishes which are served by the academies within the Trust. Directors are selected in order to provide a broad range of skills and experiences and be supportive of Catholic Education within the Diocese. Foundation Directors and Governors of the MAT and Academy are formally appointed by the Bishop following recommendations from the Diocesan Department of Education on behalf of the diocesan Bishop.

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

Policies and procedures adopted for the induction and training of trustees

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

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

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

The Diocese of Salford has facilitated training for all governors on Leading in a Multi-Academy Trust provided by Leading Edge.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finances and estates. The Trust has a Finance and Audit committee to support this role, which normally meets jointly. Sub committees for the review of standards and Leadership Pay are also in place. The Trust is also the Admissions Authority and employer of all Academies within the Trust. The executive leadership and direction is via the Executive Leadership Group which consists of all headteachers/heads of schools and Chairs of Local Governing Board from all Academies within the Trust, and representatives of possible future members of the Trust. The Executive Group meets once every half term.

The Accounting Officer is the Executive Head of the two primary academies.

The Trust is based on the principal of subsidiarity, with decision making delegated to the most appropriate level. Each Academy has a Local Governing Board consisting of Foundation, Parent and Staff Governors and their relationship with the board is outlined in the Scheme of Delegation.

St Teresa's is a developing Multi Academy Trust, there are shared central functions for business management and finance. HR advice is available from Salford Diocese. Staffing HR is provided through a service level agreement with Rochdale LA. All appointments, except the Head and Deputy are made locally, with support from the Trust office. We align all statutory policies through the CES, Rochdale Children's Safeguarding Board and the Local Authority HR.

Arrangements for setting pay and remuneration of key management personnel

As a developing Trust, the Directors have established a Pay Committee, in partnership with local governing boards. The Trust board is responsible for the appointment of Headteachers and Deputy Headteachers. Leadership pay and ISR ranges of the individual academies is established by the Trust, through the pay committee. This ensures consistency across the Trust.

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|-----------|
| Total cost of facility time | 2,413 |
| Total pay bill | 1,735,000 |
| Percentage of the total pay bill spent on facility time | 0.10% |

Paid trade union activities

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations

St Teresa of Calcutta Catholic Academy Trust, as laid out in the Articles of Association, complies 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. There is a particular relationship with the Catholic schools in the borough of Rochdale, who work together as Emmaus, a soft Federation creating 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.

The academy is a strategic partner with Heart Teaching School Alliance in Bolton.

The academy senior leaders work with the National School of Formation, supported by EducareM. The National School of Formation is a vehicle to: Support the personal and spiritual development of leaders in education for the renewal of society; explore ways of developing the vision and mission for Catholic education; encourages leaders to be a powerful voice for Catholic educators in local and national forums. The associations with this organisation have been influential in developing the curriculum intent of the Trust.

Each academy works closely with schools in their local area and within the borough of Rochdale.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Church provides Catholic academies and schools to:

- Assist in its mission of making Christ known to all people.
- Assist parents, who are the primary educators of their children, in the education and religious formation of their children.
- Be at the service of the local Church – the diocese, the parish and the Christian home.
- Be a service to society.

The vision for the education of children in Catholic schools and academies is based on the challenge exhorted by Pope Francis:

"We can ask ourselves this question: Am I stuck on the playground or do I wish to fly high? Am I tied to a herd, blindly doing what everyone does, seeking only self-satisfaction, focused on myself, or do I look above to fly high? Don't be scared, dare to have fabulous plans. I encourage you not to be afraid to dream, to have great ideals, to be builders of hope."

St Teresa of Calcutta Catholic Academy Trust is a family of Catholic schools that exist to further the mission of the Church by educating her young people in accordance with the teachings of Jesus Christ. Our Catholic Schools are about evangelisation, transformation and the giving of support to parents in their God-given responsibility of educating their children in the faith.

The aim of the Trust is to provide a practical and moral purpose to the formation of all in our community, to support the furthering of education, giving strength and a collective responsibility for the educational welfare of pupils in our schools.

Objectives, strategies and activities

The Trust has set out the main objectives it wants to pursue in the Trust Development Plan approved by Directors in December 2018. The plan sets out the Trust's vision, values, outcomes and priorities for the year as follows;

Our vision for the future

Our schools will be places of excellence – serving and giving witness to children, their families and the wider Catholic Community; as a family of schools we will enrich the learning and experiences of our young people so they may transform themselves and society.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objective 1: To develop strong Leadership of the Trust's Catholic Vision and Mission purpose.

As centres of excellence to maintain and develop the quality of Catholic leadership at all levels so that;

- Leaders understand their roles and responsibilities and effectively lead the areas for which they are responsible and monitor impact to improve teaching and learning.
- The Catholic Multi-Academy Trust and its' academies are led, at all levels, by leaders and teachers who have an uncompromising focus on ensuring that pupils and teachers achieve the highest standards of which they are capable.
- Detailed plans that set ambitious targets for raising standards, so that they remain above national averages at every stage and in every subject.
- Directors and members of the local governing boards are trained to actively undertake their responsibilities to conduct a detailed and objective analysis of the school's performance against that of other schools nationally and have the readiness and determination to hold the Trust and the academies rigorously to account and accept nothing but the best.

Priorities for the year ahead

- The Catholic MAT scheme of delegation clearly articulated roles and responsibilities and is understood by all.
- A review of administrative staffing roles will provide effective support to leadership structures both within school and across the MAT.
- The Trust will have robust monitoring and evaluation information to include evidence of CPD provided and the impact this is having on lesson quality.
- Targeted CPD will strengthen the knowledge and understanding of Leadership at all levels to support an active witness of Christ in staffing, pupils, environment and our Curriculum to strengthen further the distinctive Catholic nature of our school.
- Identified staff to achieve SLE status accredited through National Teaching School.
- Governor minutes will evidence that the governing board has a good knowledge of the quality of teaching and learning in school and that they know that leaders are monitoring the effectiveness of training.
- Subject leadership is strong, demonstrates high levels of subject knowledge that impacts on more able pupils across the school.

Objective 2: Teaching and Learning

To maintain the high quality of teaching, learning and assessment so that standards reached are outstanding across the Trust by;

- Extending opportunities for Schools 2 School support through developing achievement teams across schools to problem solve through sharing expertise and skills.
- Developing a strong local curriculum with a clear intent to providing inquiry based learning, centred on Gospel values, that provides pupils with high-quality, stimulating work that engages their interest in the 'big questions' and makes high demands of them, whatever their level of ability
- Ensuring that children have significant opportunities to rehearse the discrete skills taught in English and Mathematics, across the curriculum and in extra-curricular activities.

Priorities for the year ahead

- School T & L policy make explicit expectations and provides a common language of learning for monitoring & evaluation.
- Engagement with the NAHT in the TLIF programme to provide CPD for and School 2 school collaboration and support.
- Engagement with EducareM to further develop a Curriculum that places the teaching of social justice at its core and engages pupils in matters of local, national and global importance, allowing each academy the opportunity to personalise the curriculum to address the needs of the community.
- Development of high quality questioning to enhance the teaching of reading and reasoning in mathematics and embed the use of Blooms Taxonomy across the Trust.
- Governors will be aware of current progress achieved in each curriculum area when compared to national indicators.
- Learning is celebrated within each academy within the Trust and across all Trust schools.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Objective 3: Personal Development, Behaviour and Welfare

To ensure that the pupils are confident, curious self-assured learners and that their attitudes to learning have a strong, positive impact on their progress by.

- Ensuring that pupil learning feeds their curiosity in a way that will promote critical awareness of their surroundings, develops the ability to critically think about the impact that local, national and global events have on them and on society as a whole and provides the linguistic and reasoning skills to debate, challenge and actively respond.
- Ensuring that all teachers are trained to provide pupils with high-quality, stimulating work that engages their interest and makes high demands of them, whatever their level of ability.

Priorities for the year ahead

- To embed the Learning Powers that children are able to transfer their skills and knowledge across a range of situation.
- To develop strong transition, within and beyond each academy to demonstrate that pupils are prepared for the next stage of learning and development.

Objective 4: Catholic Life

Our schools are centres of excellence that engage with other Trust schools, their parishes and the wider Catholic Community disseminating Christ's teachings by;

- Engaging with the Diocese of Salford in the formation of a pupil voice to lead chaplaincy and bodies of students who will engage in social justice and be activists for change.
- To have a community where pupils and adults in our schools engage in prayer in all its forms.

Priorities for the year ahead

- To develop opportunities to engage with the parish in the Diocesan agenda for Hope in the Future.
- To engage staff, pupils, parents and family in liturgies, faith events and festivals that take Christ out into the community.

Objective 5: Governance

Directors have a critical role in enabling the Trust to grow in a sustainable way through;

- Developing Strategic direction, supporting clarity of purpose, providing vision and Catholic ethos, overseeing governance and decision making and scrutinising plans.
- Providing Financial Stewardship- Building financial capacity, fostering a culture of audit and value for money.

Priorities for the year ahead

- Actively recruit high calibre board members with the skills to govern a growing organisation;
- Executive oversight develop a central executive team directly accountable to the Trust Board which will enable Directors to most effectively fulfil their statutory responsibilities;
- Develop Structures to ensure clarity of role, remit and reporting arrangements at all levels of governance within the MAT;
- Establish Process, creating standardised and robust systems in relation to policy development, reporting, analysis of school level data, financial planning and HR;
- Manage risk by developing a more sophisticated understanding of financial, organisational and educational risk ensuring the board remains strategic with clearly articulated priorities.

Public benefit

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

STRATEGIC REPORT

Achievements and performance

| Academy | Ofsted Outcome | Section 48 outcome |
|--------------------------------|-------------------------------|---------------------------|
| St Patrick's RC Primary School | Outstanding September 2008 | Outstanding May 2013 |
| Alice Ingham RC Primary School | Inadequate May 2016 | Good June 2017 |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

The majority of the Academy's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of grants, the use of which are restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure are shown in the Statement of Financial Activities.

During the period ended 31 August 2018, total expenditure of £2,836k was covered by grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding capital funding, depreciation and the movement on the valuation of the defined benefit pension scheme) was £297k. During the period there was an actuarial gain on the LGPS pension scheme of £99k.

Reserves policy

The Trustees have reviewed the reserve levels of the Academy Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy

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

Key performance indicators

Headline Data

| Early Years Foundation Stage | St Patrick's RC Primary School | Alice Ingham RC Primary School | National |
|------------------------------|--------------------------------|--------------------------------|----------|
| GLD | 72.7 | 60.0 | 71.5 |
| Average points score | 32.6 | 30.5 | 34.5 |

| Y1 Phonics | St Patrick's RC Primary School | Alice Ingham RC Primary School | National |
|----------------------|--------------------------------|--------------------------------|----------|
| % achieving Expected | 88.0 | 57.0 | 82.6 |
| Average points score | 35.2 | 29.4 | 33.9 |

| Key Stage 1 (Year 2) | | | |
|----------------------|--------------------------------|--------------------------------|----------|
| % achieving Expected | St Patrick's RC Primary School | Alice Ingham RC Primary School | National |
| Reading | 79.1 | 56 | 75.5 |
| Writing (TA) | 74.4 | 52 | 70.0 |
| Mathematics | 83.7 | 64 | 76.2 |
| RWM combined | 74.4 | 28.4 | |

| Key Stage 2 (Year 6) | | | |
|---------------------------------|--------------------------------|--------------------------------|----------|
| % achieving Expected | St Patrick's RC Primary School | Alice Ingham RC Primary School | National |
| Reading | 80.4 | 40 | 75 |
| Writing (TA) | 83.4 | 60 | 78.2 |
| Mathematics | 88.8 | 36 | 76 |
| Spelling, Punctuation & Grammar | 82.2 | 44 | 78 |
| RWM combined | 73.1 | 24 | 64 |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Headline data for the year is shared with the Trust with more detailed analysis shared with each schools Local Governing Board. The Trust has established a consistent format across the schools for the presentation of data.

The performance of pupils at St Patrick's is good, and reflects outstanding progress in EYFS and KS1. All pupil groups are performing above the National averages, FFT places the school in the top 25%, for pupils achieving the expected standard in KS2 in reading, writing and mathematics and in the top 30% for progress from KS1 to KS2. To move within the top 20% for progress the school needs to see a rise in the number of pupils exceeding the national expectations in reading. Pupil group indicators are all positive.

The data for Alice Ingham reflects the journey that the school has undertaken in the last two years. Whilst the national data indicates performances well below the national average, other performance measures introduced following the issuing of an academy order in June 2016, indicate that the school is achieving well.

External review currently identifies St Patrick's as a very good school and Alice Ingham as rapidly improving with leadership and management and pupil behaviour safety and welfare as good.

When considering the performance of schools, as a Trust, we believe that it is important to take into account the opportunities offered to pupils to enable them to develop as people and the wider contribution that the Trust makes to the community.

Plans for future periods

To sensitively grow the St Teresa of Calcutta Catholic Academy Trust, remaining true to the stated Mission; Our schools will be places of excellence – serving and giving witness to children, their families and the wider Catholic Community; as a family of schools we will enrich the learning and experiences of our young people so they may transform themselves and society.

- The Trustees of the Diocese of Salford, hope to secure commitment from an additional convertor school before the end of the 2018/19 academic year.
- The addition of one convertor school would allow the Trust to offer support to Catholic schools in the Diocese of Salford, identified as 'at risk' by the Diocesan Schools Alliance Committee or respond to a school given an academy order.
- The geographical boundaries of the Trust are currently under review by the Diocesan Trustees. The outcome of this review will inform any future growth plans for the Trust.
- The Trust would hope to see the inclusion of at least one High School within five years.

Principal risks and uncertainties

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

Financial risk

St Teresa of Calcutta Catholic Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.

Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

Failures in governance and/or management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational risk

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

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.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 21-1-19 and signed on its behalf by:

 CBE

Mrs Catherine Marie Garside
Chair of Trustees

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 10 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mr Brendan Duffy (Appointed 1 July 2018) | 5 | 10 |
| Mr Andrew Hutchison (Appointed 1 July 2018) | 4 | 10 |
| Mr Brian Peart (Appointed 1 July 2018) | 5 | 10 |
| Mrs Catherine Marie Garside (Appointed 7 July 2017) | 10 | 10 |
| Mr John McManus (Appointed 7 July 2017 and resigned 1 July 2018) | 4 | 10 |

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

The Accounting Officer ensures 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weakness or breakdown of internal control.

This year the Accounting Officer has informed the Board of difficulties with the submission of information to the EFSA relating to predicted outturn in March and to the DfE in relation to the October Workforce Census. Both were reported to the appropriate bodies ahead of the deadline date and so the Academy has not been issued with any late reporting notices.

Finance and audit committee

The size of the current board means that oversight of finance is the responsibility of the the Executive Leadership Group, this includes a director, chairs of local governing boards and chairs of their finance and resources committee. Their roles and terms of reference are clearly defined. The Board of Directors then undertakes the responsibility of the Audit Committee.

Purpose of executive leadership and board finance committee

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Purpose of audit committee

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

Governance reviews

Having completed the first year of operation, the Trust Board has reviewed the central Trust charge for the year. As the Trust prepares for its second year of operation, the Board will review the leadership roles which in the first year of operation have run concurrently with positions within the two schools within the academy.

To strengthen capacity within the Trust, and prepare for future growth, the Directors have reviewed the structure of roles and responsibilities within the Trust to strengthen compliance controls, support further the management of risk and strengthen systems of accountability. To support this the Trust will appoint a Senior Executive Leader who will act as the Chief Executive Officer within the next 6 months.

The growth of the Board of Directors has been a challenge in this first year. The knowledgeable chair of the Trust has experience of working in Trusts and providing strong leadership to an outstanding Catholic Secondary School for more than 20 years. She has guided the formation of the committee structure in this first year. The recruitment of a Director with experience in building strategic leadership and a second with previous experience of accountancy at Board level are helping to shape the academy leadership with critical challenge and support.

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. Current Academy data indicates that the outcomes for children have risen in this financial period. The strong ethos of the sponsor academy is now evident across the Trust schools, consequently there is a culture where personal and academic growth and a love of learning are shared and understood by all.

Improved value for money has been achieved during the year by putting out to tender the provision of the audit provider and the deployment of key members of staff across both academies in the Trust. The latter has resulted in considerable cost savings and secured strong leadership in key curriculum areas that has impacted positively on outcomes for pupils.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Teresa Of Calcutta Catholic Academy Trust for the period 7 July 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 7 July 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

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

- not to appoint an internal auditor. The Trustees are considering the most appropriate way to provide themselves with assurance over financial matters and the Trust's systems.

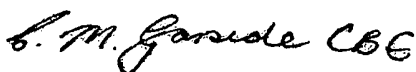
Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

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

Approved by order of the board of trustees on 21-1-19 and signed on its behalf by:



Mrs Catherine Marie Garside
Chair of Trustees

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Teresa Of Calcutta Catholic Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

Monica Walczak
Accounting Officer

..... M. Walczak.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of St Teresa Of Calcutta Catholic Academy Trust for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

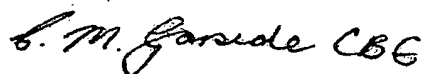
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 21-1-19 and signed on its behalf by:



Mrs Catherine Marie Garside
Chair of Trustees

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

Opinion

We have audited the financial statements of The St Teresa of Calcutta Multi Academy Trust (the "academy trust") for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion, except for the effects of the matters described in the Basis for qualified opinion section of our report, the accompanying financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for qualified opinion

As explained in Note 11 to the Financial Statements, the Trustees have concluded, as in prior years, that the Licence agreements with the Salford Diocese do not transfer substantially all the risks and rewards of ownership of the land and buildings to the academy trust and consequently the arrangements are accounted for as a licence to occupy. There is no annual charge.

As a consequence the financial statements exclude a value for land and buildings in respect of Alice Ingham RC Primary School and St Patrick's RC Primary School. The value of these properties is unknown.

In our opinion, the licence agreements give the right to use the land and buildings and the substance of the arrangements is that this will be on an ongoing basis and the risks and rewards of ownership sit with the Academy Trust. Therefore, we consider that the land and buildings should be included on the balance sheet of the Academy Trust. Accordingly land and buildings values as at 31 August 2018 should be recognised and depreciated over their useful economic lives. The components of the accounts which are impacted by this treatment are the balance sheet values of Land and buildings cost and related depreciation to date, the amounts transferred on conversion in the statement of financial activities and the depreciation charge in the statement of financial activities. The Restricted Fixed Asset Fund should also be increased by the same value as the net book value of the land and buildings at 31 August 2018. It is not practical to quantify a value for these items and their precise impact on the result for the year.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 and the incorporated Strategic Report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and 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 financial statements 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 set out on page 15, the trustees (who act as trustees for the charitable activities of the charitable company) are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

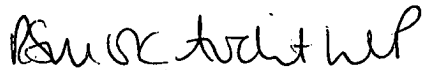
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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

Use of our report

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



Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire, PR2 5PE

22/11/19

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2018

| | | Unrestricted Funds | Restricted General Funds | Restricted Fixed asset Funds | Total 2018 |
|--|-------|-----------------------|--------------------------------|------------------------------------|---------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Charitable activities: | | | | | |
| - Funding for educational operations | 3 | - | 2,641 | - | 2,641 |
| Other trading activities | 4 | 82 | - | - | 82 |
| Total | | <u>82</u> | <u>2,641</u> | <u>-</u> | <u>2,723</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 6 | - | 2,812 | 24 | 2,836 |
| Charitable expenditure - transfer from local authority on conversion | 20 | - | 250 | (66) | 184 |
| Total | 5 | <u>-</u> | <u>3,062</u> | <u>(42)</u> | <u>3,020</u> |
| Net income/(expenditure) | | 82 | (421) | 42 | (297) |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 18 | - | 99 | - | 99 |
| Net movement in funds | | 82 | (322) | 42 | (198) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | - | - | - | - |
| Total funds carried forward | | <u>82</u> | <u>(322)</u> | <u>42</u> | <u>(198)</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

| | Notes | 2018 £'000 | £'000 |
|--|-------|---------------|---------|
| Fixed assets | | | |
| Tangible assets | 11 | | 52 |
| Current assets | | | |
| Debtors | 12 | 231 | |
| Cash at bank and in hand | | 73 | |
| | | <u>304</u> | |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (189) | |
| | | <u></u> | |
| Net current assets | | | 115 |
| | | | <u></u> |
| Net assets excluding pension liability | | | 167 |
| | | | <u></u> |
| Defined benefit pension scheme liability | 18 | | (365) |
| | | | <u></u> |
| Net assets | | | (198) |
| | | | <u></u> |
| Funds of the academy trust: | | | |
| Restricted funds | 14 | | |
| - Restricted fixed asset funds | | | 42 |
| - Restricted income funds | | | 43 |
| - Pension reserve | | | (365) |
| | | | <u></u> |
| Total restricted funds | | | (280) |
| | | | <u></u> |
| Unrestricted income funds | 14 | | 82 |
| | | | <u></u> |
| Total funds | | | (198) |
| | | | <u></u> |

The financial statements on pages 18 to 36 were approved by the board of trustees and authorised for issue on 21-1-19 and are signed on their behalf by:



 Mrs Catherine Marie Garside
 Chair of Trustees

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2018

| | Notes | 2018 £'000 | £'000 |
|--|-------|---------------|----------------|
| Cash flows from operating activities | | | |
| Net cash (used in) operating activities | 16 | | (31) |
| Cash funds transferred on conversion | | | 114 |
| | | | <hr/> 83 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (10) | |
| | | <hr/> | |
| Net cash used in investing activities | | | (10) |
| | | | <hr/> |
| Net increase in cash and cash equivalents in the reporting period | | | 73 |
| Cash and cash equivalents at beginning of the period | | | - |
| | | | <hr/> |
| Cash and cash equivalents at end of the year | | | <hr/> 73 <hr/> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

General information

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.

Basis of preparation

The financial statements of the academy trust 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 financial statements 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 2017 to 2018 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.

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 financial statements 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 financial statements.

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 from St Patrick's R C Primary School and Alice Ingham R C Primary School 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 donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 20. The treatment of the land and buildings is outlined below.

These financial statements are prepared for the period from incorporation on 7 July 2017 to 31 August 2018, which is the year end set according to the Academies Accounts Direction.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

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.

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------|-----------------------|
| Computer equipment | 3 years straight line |
|--------------------|-----------------------|

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Land and buildings owned by the Diocese of Salford: The academy trust company occupies the land (and buildings) under a mere licence. 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.

Liabilities

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

Financial instruments

The academy trust has chosen to adopt Sections 11 of FRS 102 in full in respect of financial instruments.

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.

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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 reporting date. The amounts charged to net income 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.

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 Education Funding and Skills Agency/Department for Education.

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 PERIOD ENDED 31 AUGUST 2018

3 Funding for the academy trust's educational operations

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 |
|--------------------------------|--------------------------------|------------------------------|------------------------|
| DfE / ESFA grants | | | |
| General annual grant (GAG) | - | 1,976 | 1,976 |
| Other DfE group grants | - | 598 | 598 |
| | <u>-</u> | <u>2,574</u> | <u>2,574</u> |
| Other government grants | | | |
| Local authority grants | - | 67 | 67 |
| | <u>-</u> | <u>67</u> | <u>67</u> |
| | <u>-</u> | <u>2,641</u> | <u>2,641</u> |

4 Other trading activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2018 £'000 |
|---------------|--------------------------------|------------------------------|------------------------|
| Music tuition | 3 | - | 3 |
| Other income | 79 | - | 79 |
| | <u>82</u> | <u>-</u> | <u>82</u> |

5 Expenditure

| | Staff costs £'000 | Non Pay Expenditure | | Total 2018 £'000 |
|----------------------------------|----------------------|---------------------|----------------|------------------------|
| | | Premises £'000 | Other £'000 | |
| Academy's educational operations | | | | |
| - Direct costs | 1,806 | - | 306 | 2,112 |
| - Allocated support costs | 221 | 224 | 279 | 724 |
| | <u>2,027</u> | <u>224</u> | <u>585</u> | <u>2,836</u> |

Net income/(expenditure) for the period includes:

| | 2018 £'000 |
|---|---------------|
| Depreciation of tangible fixed assets | 24 |
| Net interest on defined benefit pension liability | 11 |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: | |
| - Audit | 14 |
| - Other services | 3 |
| | <u>17</u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

6 Charitable activities

| | |
|----------------------------------|---------------------|
| | 2018 |
| All from restricted funds: | £'000 |
| Direct costs | |
| Educational operations | 2,112 |
| Support costs | |
| Educational operations | 724 |
| | <u>2,836</u> |
| | <u><u>2,836</u></u> |
| | 2018 |
| | £'000 |
| Analysis of support costs | |
| Support staff costs | 221 |
| Depreciation | 24 |
| Premises costs | 200 |
| Other support costs | 192 |
| Governance costs | 87 |
| | <u>724</u> |
| | <u><u>724</u></u> |

7 Staff

Staff costs

Staff costs during the period were:

| | |
|---|---------------------|
| | 2018 |
| | £'000 |
| Wages and salaries | 1,253 |
| Social security costs | 118 |
| Pension costs | 364 |
| | <u>1,735</u> |
| Staff costs | 1,735 |
| Agency staff costs | 279 |
| Staff development and other staff costs | 13 |
| | <u>2,027</u> |
| | <u><u>2,027</u></u> |

Staff numbers

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

| | |
|----------------------------|------------------|
| | 2018 |
| | Number |
| Teachers | 24 |
| Administration and support | 42 |
| | <u>66</u> |
| | <u><u>66</u></u> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

7 Staff (Continued)

Higher paid staff

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

| | 2018 Number |
|-------------------|----------------|
| £70,001 - £80,000 | 1 |

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) received by key management personnel for their services to the academy trust was £391,803.

8 Central services

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

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

10 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 period ended 31 August 2018 is not separately identifiable, but is included within the total insurance cost.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2018

11 Tangible fixed assets

| | Computer equipment £'000 |
|------------------------|--------------------------------|
| Cost | |
| At 7 July 2017 | - |
| Transfer on conversion | 113 |
| Additions | 10 |
| | <hr/> |
| At 31 August 2018 | 123 |
| | <hr/> |
| Depreciation | |
| At 7 July 2017 | - |
| Transfer on conversion | 47 |
| Charge for the period | 24 |
| | <hr/> |
| At 31 August 2018 | 71 |
| | <hr/> |
| Net book value | |
| At 31 August 2018 | 52 |
| | <hr/> <hr/> |

Land and buildings owned by the Diocese of Salford: The academy trust company occupies the land (and buildings) under a mere licence. 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.

12 Debtors

| | 2018 £'000 |
|--------------------------------|---------------|
| VAT recoverable | 80 |
| Other debtors | 3 |
| Prepayments and accrued income | 148 |
| | <hr/> |
| | 231 |
| | <hr/> <hr/> |

13 Creditors: amounts falling due within one year

| | 2018 £'000 |
|------------------------------------|---------------|
| Trade creditors | 10 |
| Other taxation and social security | 35 |
| Other creditors | 20 |
| Accruals and deferred income | 124 |
| | <hr/> |
| | 189 |
| | <hr/> <hr/> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

14 Funds

| | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2018 £'000 |
|-------------------------------------|-----------------|----------------------|--|--|
| Restricted general funds | | | | |
| General Annual Grant (GAG) | 1,976 | (2,047) | - | (71) |
| Other DfE / ESFA grants | 598 | (598) | - | - |
| Other government grants | 67 | (67) | - | - |
| Other restricted funds | - | 114 | - | 114 |
| Pension reserve | - | (464) | 99 | (365) |
| | <u>2,641</u> | <u>(3,062)</u> | <u>99</u> | <u>(322)</u> |
| Restricted fixed asset funds | | | | |
| Transfer on conversion | - | 66 | - | 66 |
| DfE group capital grants | - | (24) | - | (24) |
| | <u>-</u> | <u>42</u> | <u>-</u> | <u>42</u> |
| Total restricted funds | <u>2,641</u> | <u>(3,020)</u> | <u>99</u> | <u>(280)</u> |
| Unrestricted funds | | | | |
| General funds | 82 | - | - | 82 |
| Total funds | <u>2,723</u> | <u>(3,020)</u> | <u>99</u> | <u>(198)</u> |

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed assets fund

These grants relate to funding from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Unrestricted funds

This fund primarily relates to income from lettings and teaching school income.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

14 Funds (Continued)

Total funds analysis by academy

| | 2018 £'000 |
|--|---------------|
| Fund balances at 31 August 2018 were allocated as follows: | |
| St Patrick's R C Primary School | (36) |
| Alice Ingham R C Primary School | 38 |
| St Teresa of Calcutta Catholic Academy Trust | 123 |
| | <hr/> |
| Total before fixed assets fund and pension reserve | 125 |
| Restricted fixed asset fund | 42 |
| Pension reserve | (365) |
| | <hr/> |
| Total funds | (198) |
| | <hr/> <hr/> |

Total cost analysis by academy

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

| | Teaching and educational support staff £'000 | Other support staff costs £'000 | Educational supplies £'000 | Other costs excluding depreciation £'000 | Total 2018 £'000 |
|--|---|---------------------------------------|----------------------------------|---|------------------------|
| St Patrick's R C Primary School | 1,302 | 10 | 172 | 300 | 1,784 |
| Alice Ingham R C Primary School | 696 | 18 | 134 | 152 | 1,000 |
| St Teresa of Calcutta Catholic Academy Trust | - | - | 1 | 27 | 28 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,998 | 28 | 307 | 479 | 2,812 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

15 Analysis of net assets between funds

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|---|--------------------------------|---|---|-------------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 52 | 52 |
| Current assets | 82 | 222 | - | 304 |
| Creditors falling due within one year | - | (179) | (10) | (189) |
| Defined benefit pension liability | - | (365) | - | (365) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | 82 | (322) | 42 | (198) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

16 Reconciliation of net expenditure to net cash flow from operating activities

| | 2018 £'000 |
|---|---------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (297) |
| Adjusted for: | |
| Net deficit on conversion to academy | 184 |
| Defined benefit pension scheme cost less contributions payable | 89 |
| Defined benefit pension scheme finance cost | 11 |
| Depreciation of tangible fixed assets | 24 |
| Movements in working capital: | |
| (Increase) in debtors | (231) |
| Increase in creditors | 189 |
| Net cash used in operating activities | <u>(31)</u> |

17 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.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2018

18 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £246,905.

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 20) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2018

18 Pension and similar obligations (Continued)

| | |
|---------------------------------|-----------------------|
| Total contributions made | 2018 £'000 |
| Employer's contributions | 118 |
| Employees' contributions | 32 |
| Total contributions | <u>150</u> |

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

| | |
|--|-------------------|
| | 2018 % |
| Rate of increase in salaries | 3.1 |
| Rate of increase for pensions in payment/inflation | 2.3 |
| Discount rate for scheme liabilities | <u>2.8</u> |

The assumed life expectations on retirement age 65 are:

| | |
|----------------------|-----------------------|
| | 2018 Years |
| Retiring today | |
| - Males | 21.5 |
| - Females | 24.1 |
| Retiring in 20 years | |
| - Males | 23.7 |
| - Females | <u>26.2</u> |

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

| | |
|----------------------------|--------------------------------------|
| | 2018 Fair value £'000 |
| Equities | 878 |
| Bonds | 206 |
| Property | 91 |
| Other assets | 116 |
| Total fair value of assets | <u>1,291</u> |

The actual return on scheme assets was £81,000.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

18 Pension and similar obligations (Continued)

| | |
|---|-----------------------|
| Amount recognised in the Statement of Financial Activities | 2018 £'000 |
| Current service cost | 207 |
| Net interest cost | 11 |
| | <hr/> |
| Total operating charge | 218 |
| | <hr/> |
| Changes in the present value of defined benefit obligations | 2018 £'000 |
| Obligations acquired on conversion | 1,424 |
| Current service cost | 207 |
| Interest cost | 40 |
| Employee contributions | 32 |
| Actuarial gain | (47) |
| | <hr/> |
| At 31 August 2018 | 1,656 |
| | <hr/> |
| Changes in the fair value of the academy trust's share of scheme assets | 2018 £'000 |
| Assets acquired on conversion | 1,060 |
| Interest income | 29 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 52 |
| Employer contributions | 118 |
| Employee contributions | 32 |
| | <hr/> |
| At 31 August 2018 | 1,291 |
| | <hr/> |

19 Related party transactions

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

20 Conversion to an academy

On 1 October 2017, St Patrick's R C Primary School and Alice Ingham R C Primary 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 the Rochdale Local Authority 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 gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

| Academy | Location | Date of conversion |
|---------------------------------|----------|--------------------|
| St Patrick's R C Primary School | Rochdale | 1 October 2017 |
| Alice Ingham R C Primary School | Rochdale | 1 October 2017 |

| Net assets transferred: | 2018 £'000 |
|--------------------------------|---------------|
| Other tangible fixed assets | 66 |
| Cash | 114 |
| LGPS pension surplus/(deficit) | (364) |
| | <u>(184)</u> |

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total 2018 £'000 |
|--------------------------------------|--------------------------------|---------------------------------------|----------------------|------------------------|
| Funds surplus/(deficit) transferred: | | | | |
| Fixed assets funds | - | - | 66 | 66 |
| LA budget funds | - | 114 | - | 114 |
| LGPS pension funds | - | (364) | - | (364) |
| | <u>-</u> | <u>(250)</u> | <u>66</u> | <u>(184)</u> |

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 2 March 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by St Teresa Of Calcutta Catholic Academy Trust during the period 7 July 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 7 July 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of St Teresa Of Calcutta Catholic Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of St Teresa Of Calcutta Catholic Academy Trust's accounting officer and trustees

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 and the Academies Financial Handbook, extant from 1 September 2017, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of St Teresa Of Calcutta Catholic Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 7 July 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

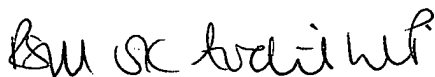
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to St Teresa Of Calcutta Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 2 March 2018. Our work has been undertaken so that we might state to the St Teresa Of Calcutta Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Teresa Of Calcutta Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



RSM UK Audit LLP
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Brian Johnson Way
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PR2 5PE

Dated: 22/1/19.