

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 YEAR ENDED 31 AUGUST 2019

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Trustees

Mr Brendan Duffy
Mrs Catherine Marie Garside (Chair)
Mr Andrew Hutchison (Appointed 28 October 2019)
Mr Brian Peart
Mrs Angela Ager (Appointed 11 October 2019)
Mrs Catherine Anderson (Appointed 11 October 2019)

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

- Interim Catholic Senior Executive Leader	Mr Martin Johnson
- Interim Catholic Chief Operations Officer	Mrs Monica Walczak
- Consultant Finance Director	Mr Phil Curtis
- Headteacher, Alice Ingham	Mrs Donna Malcolm
- Headteacher, St Gregory's	Mrs Kelly Watson
- Interim Headteacher, St Patrick's	Miss C Harrison

Company registration number

10856800 (England and Wales)

Registered office

St Teresa of Calcutta
Diocese of Salford
3 Ford Street
Salford
M3 6DP

Academies operated

St Patrick's R C Primary School
Alice Ingham R C Primary School
St Teresa of Calcutta Catholic Academy
Trust

Location

Rochdale
Rochdale

Principal

Mrs C Harrison
Miss D Malcolm

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 year 1 September 2018 to 31 August 2019. 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. However, the members and diocesan schools' trustees have made the decision that from September 2019, the trust will serve Salford Catholic Schools in the boroughs of Bolton, Bury, Rochdale, Salford and Wigan. This is designed to strengthen the second and third tiers of governance; director and local governing bodies.

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.

St Gregory's RC Primary School, Bolton was new to the Trust as of 1 December 2019. Senior Officers of the Trust are currently reviewing due diligence to admit St Monica's RC High School, Prestwich, St Gabriel's RC High School, Bury and Our Lady and St Paul's RC Primary School to the Trust in 2020.

The directors are awaiting updated financial information from St Monica's RC High School. The Interim Executive Board have informed the Trust that their fiscal decisions and associated actions should remove the current deficit position. The directors recognise that the projected budget that they have received from St Monica's, would potentially place the Trust in a financially vulnerable position in the financial year 2020/21. The directors will not make their final decision to admit St Monica's into the Trust until we have considered an updated budget from and a report from the planned SRMA visit in January 2020.

The trustees of St Teresa Of Calcutta Catholic Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these 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 Members of the Catholic Academy Trust are appointed by the Catholic Diocese of Salford under the direction of The Bishop of Salford.

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

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

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 provisions for Headteachers and Governors to realise the true mission of the Church in education and explore ways of developing the Vision and Mission of Catholic Education.

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

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

Organisational structure

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

Sub committees for the review of standards and Leadership Pay are in place. The Trust is also the Admissions Authority and employer of all Academies within the Trust. From September 2017 until August 2019, the executive leadership and direction was via the Executive Leadership Group which consisted of all headteachers/ heads of schools and Chairs of Local Governing Board from all Academies within the Trust, along with representatives of schools, identified by the diocese, as future members of the Trust. The Executive Group meets once every half term.

The increase in the number of directors has provided the opportunity for the review of governance structure, this now comprises three core committees;

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

Until the end of the financial reporting period, the Accounting Officer was the Executive Head of the two primary academies. In June 2019 the directors appointed Mr Martin Johnson as the Catholic Senior Executive Leader (CEO). In September 2019 Mr Johnson assumed the role of Accounting Officer position, supported by the Catholic Chief Operations Officer.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

All appointments are made locally, with support from the Trust office, except the Head and Deputy, and in high schools the Head of Religious Studies and the School Chaplain. These appointments are the responsibility of the directors. We align all statutory policies through the CES, the School Bus, the Diocesan Safeguarding Team, Local Children's Safeguarding Boards and the Local Authority HR.

Arrangements for setting pay and remuneration of key management personnel

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 ensure consistency and transparency across all schools in the Catholic Multi-Academy Trust.

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

Provisions of the trade union

The Trust has entered into a Service Level Agreement (SLA) with Rochdale LA for Facilities Management Time with unions. This is currently under review; it is proposed that we maintain the facilities time and that personnel issues will be supported by the local officer and JCB and policy matters supported by the regional officers.

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

-

Total pay bill

2,196,000

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

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

-

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, through the Diocesan Primary Partnership and the Diocesan Secondary Heads group. In 2018-19 academic year the Trust enjoyed 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. This will continue in the coming year; however the Trust will extend its associations to work with BOSEP and the Catholic Head Teachers group in Bury.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

In the academic year 2018 – 19, the Trust procured support from ECM, an education consultancy. A dedicated SIP visited both schools in the academy each term and provided written reports for the directors and the local governing bodies. In addition, Alice Ingham RC School, worked in partnership with the trade union NAHT (National Association of Head Teachers), support that they were able to access through the Teaching and Learning Innovation Fund because of their ranking as a tier 4 school. To raise standards in reading in Key Stage 2, the Trust commissioned support from the English hub based in Arch Alliance to introduce and implement the RAMP reading project. For mathematics the schools worked with the North West Maths Hub and consultants from Sense of Number.

As an NLE, the executive head completed work commissioned for a Rochdale school by the TSC and the mathematics SLE, in Alice Ingham, worked on behalf of Heart Teaching School Alliance with a school in Manchester.

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. It provides opportunities for members to explore ways of developing the vision and mission for Catholic education and encourages leaders to be a powerful voice for Catholic educators in local and national forums. The associations with this organisation have been influential in developing the curriculum intent of the Trust and the chair of the board of directors will be working closely with this organisation in 2019 - 2020.

OBJECTIVES AND ACTIVITIES

Objects and aims

The St Teresa of Calcutta Roman Catholic Multi Academy Trust (CMAT) exists to secure 3-19 Catholic Education in the Diocese of Salford. Within the CMAT, our academies are communities where our children and young people are given a clear vision for life, a vision which is rooted in the person and teachings of Jesus Christ and which is faithful to the mission of the Catholic Church.

The Trust seeks to serve all our families and to work with other partners in education for the benefit of our children and young people; we are committed to working together as academies and with the wider community for the common good. In our academies, we uphold the dignity and unique human value of every person as we strive for excellence in education; gifts and talents are shared between our academies as we aim to provide the highest standards for all our children and young people throughout the Trust.

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

Objectives, strategies and activities

The Trust has set out the main objectives it wants to pursue in the Trust Strategic Development Plan approved by Directors in November 2019.

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

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

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Three year overview

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

Strategic Objectives

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

Key Performance Indicators

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

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

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

Strategic Objectives

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

Key Performance Indicators

- 95% staff complete agreed CPDF pathways or Organisational Development strategy
- Absence is 3% or lower by July 2020
- Staff turnover to be below 15%

100% of T and NT performance reviews are completed using central templates

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

Strategic Objectives

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

Key Performance Indicators

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

In five years time: 2024

- All schools are the desired school of choice for the diverse communities that they serve.
- The legacy of Curriculum Leadership development provides an enriched curriculum and wealth of opportunities for pupils.
- The physical learning environments across the CMAT enable inspiration, innovation and excellence.
- Staff and volunteers at all levels understand and embrace the culture of servant leadership and system leadership. They feel valued and take pride in being part of the community of the St Teresa of Calcutta Roman Catholic Multi Academy Trust.

Public benefit

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

STRATEGIC REPORT

Achievements and performance

Academy	St Patrick's RC Primary School	Alice Ingham RC Primary School
Section 5 Outcome	Outstanding September 2008	Inadequate May 2016
Section 48 Outcome	Good May 2019	Good June 2018

Financial review

The primary source of the Multi-Academy Trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of grants, the use of which are restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown in the Statement of Financial Activities.

During the period ended 31 August 2019, total expenditure of £2,834,000 (2018: £3,020,000) was covered by grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding capital funding, depreciation and the movement on the valuation of the defined benefit pension scheme) was £678,000 excess income over expenditure (2018: £297,000 excess of expenditure over income). During the period there was an actuarial loss on the LGPS pension scheme of £371,000 (2018: gain £99,000).

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

Performance indicators - Alice Ingham 2018/19

Early Years Foundation Stage	School	National
GLD (Expected)	68.2%	71.8%
Average Point Score	32.4	34.6

Year 1 Phonics	School	National
% Achieving expected	75%	82%

Year 2 SATs Results

Subject	School	National
Reading Expected	47%	76%
Writing Expected	42%	69%
Maths Expected	58%	76%
RWM combined Expected	42%	65%

Year 6 SATs Results

Subject	School	National	Average Scale Score	National	Average Progress Scores	% of Pupils Higher Standard	National
Reading	54%	73%	99.9	104.4	-1.3	21%	21%
Writing	63%	79%			-1.8	4%	12%
Maths	50%	79%	99.5	105	-3.3	8%	21%
GPS	54%	78%	99.4	106.3		12.5%	34%
RWM	38%	65%				4.2%	6.3%

Attendance

In 2018/19, the rate of overall absence (6.80%) was above the national average for schools with a similar level of deprivation.

Performance indicators - St Patrick's 2018/19

Early Years Foundation Stage	School	National
GLD (Expected)	88.1%	71.8%
Average Point Score		34.6

Year 1 Phonics	School	National
% Achieving expected	84%	82%

Year 2 SATs Results

Subject	School	National
Reading Expected	79%	76%
Writing Expected	70%	69%
Maths Expected	74%	76%
RWM combined	63%	65%

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Year 6 SATs Results							
Subject	School	National	Average Scale Score	National	Average Progress Scores	% of Pupils Higher Standard	National
Reading	76%	73%	105.6	104.4	2.6	27%	21%
Writing	80%	79%			0.6	9%	12%
Maths	91%	79%	107.5	105	3.6	29%	21%
GPS	98%	78%	108.4	106.3		37%	34%
RWM	64%	65%				4.4%	6.3%

Attendance

In 2018/19, the rate of overall absence (4.00%) was slightly below the national average for schools with a similar level of deprivation.

Headline data for the year is shared with the Trust with more detailed analysis shared with each school's Local Governing Board and in discussion with the head teacher and the Catholic Senior Executive Leader. School improvement priorities, programmes of CPD and support of system leaders are identified in these discussions, built on a rigorous performance review process.

The Trust has established a consistent format across its schools for the reporting pupil performance data, and the preparation of leadership reports and this allows for consistency of reporting to the board of directors.

The performance of pupils at St Patrick's is good, and reflects outstanding progress in EYFS. In key stage 2 the progress scores in reading and mathematics place the school in the highest 20% of all schools in 2019. This is a consistent trend for the school. Worthy of note is the rise in the percentage of pupils exceeding national expectations. This was identified in the 2018 report as a key performance indicator for the school.

The data for Alice Ingham reflects an improving picture. The impact of the embedded RAMP reading policy is evidenced in the percentage of pupils achieving greater depth; this is in line with the national average. The appointment of a new member of staff to EYFS is providing a strong and stable start to their learning, the percentage of pupils achieving a good level of development is closer to national average but exceeds the local authority by 2.2%.

External review currently identifies St Patrick's as a good school and Alice Ingham as improving with leadership and management, personal development and behaviour and attitudes judged to be good.

Plans for future periods

St Teresa of Calcutta Catholic Multi-Academy Trust is entering a period of significant growth with four schools currently completing the due diligence process for conversion;

- St Gregory's RC Primary School Bolton (joined 01/12/2019)
- St Gabriel's RB High School, Bury (proposed 01/06/2020)
- St Monica's RC High School, Prestwich (proposed 01/06/2020)
- Our Lady and St Paul Primary School, Heywood (proposed 01/06/2020)

Membership of the board of directors has increased by two. The skills audit of the governance highlights HR and Health and Safety as gaps that the board will look to recruit for in 2020.

With the support of the consultant finance director and the independent School Resource Management Advisor, the Trust plans to develop an effective back room staff to extend the financial efficiencies that have been achieved in 2018/19 with the deployment of staff across schools in the multi-academy trust.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

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 risks

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

Significant changes in staff

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

Fundraising

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

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 15/01/20 and signed on its behalf by:



Mrs Catherine Marie Garside (Chair)
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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Brendan Duffy	7	7
Mrs Catherine Marie Garside (Chair)	7	7
Mr Andrew Hutchison (Appointed 28 October 2019)	0	0
Mr Brian Peart	6	7
Mrs Angela Ager (Appointed 11 October 2019)	0	0
Mrs Catherine Anderson (Appointed 11 October 2019)	0	0

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

Finance and audit committee

The size of the current board means that oversight of finance is the responsibility of 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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

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.

To strengthen capacity with the Trust, and prepare for future growth, the Directors have reviewed the structure of roles and responsibilities with the Trust to strengthen compliance controls, support further the management of risk and strengthen systems of accountability. To support this the Trust has appointed an Interim Catholic Senior Executive Leader an Interim Catholic Chief Operations Officer and a Chief Finance Director.

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 later 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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:

- The Trustees recognise the urgency to provide themselves with assurance over financial matters and the Trust's systems and will review the appointment of an internal auditor in January 2020.

Review of effectiveness

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

- the work of the external auditor;
- Work with an independent SRMA in June 2019;
- 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 15/01/20 and signed on its behalf by:



Mrs Catherine Marie Garside (Chair)
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 2018.

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 2018.

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.

Mr. Johnson

Mr Martin Johnson
Chief Executive Officer/Accounting Officer

15/01/20

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 Academies 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 2018 to 2019;
- 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.

Approved by order of the members of the board of trustees on 15/01/20 and signed on its behalf by:



Mrs Catherine Marie Garside (Chair)
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 year ended 31 August 2019 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for qualified opinion

As explained in Note 12 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 2019 and 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 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 2019 and 2018. It is not practical to quantify a value for these items and their precise impact on the result for the current and prior 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 year 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 16, 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

20/1/20

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	-	826	826	-
Charitable activities:						
- Funding for educational operations	4	-	2,553	-	2,553	2,641
Other trading activities	5	133	-	-	133	82
Total		<u>133</u>	<u>2,553</u>	<u>826</u>	<u>3,512</u>	<u>2,723</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	2,812	22	2,834	2,836
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	184
Total	6	<u>-</u>	<u>2,812</u>	<u>22</u>	<u>2,834</u>	<u>3,020</u>
Net income/(expenditure)		133	(259)	804	678	(297)
Transfers between funds	16	(85)	85	-	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(371)	-	(371)	99
Net movement in funds		<u>48</u>	<u>(545)</u>	<u>804</u>	<u>307</u>	<u>(198)</u>
Reconciliation of funds						
Total funds brought forward		<u>82</u>	<u>(322)</u>	<u>42</u>	<u>(198)</u>	<u>-</u>
Total funds carried forward		<u>130</u>	<u>(867)</u>	<u>846</u>	<u>109</u>	<u>(198)</u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2019**

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		58		52
Current assets					
Debtors	13	966		231	
Cash at bank and in hand		155		73	
		1,121		304	
Current liabilities					
Creditors: amounts falling due within one year	14	(203)		(189)	
Net current assets			918		115
Net assets excluding pension liability			976		167
Defined benefit pension scheme liability	20		(867)		(365)
Total net assets/(liabilities)			109		(198)
Funds of the academy trust:					
Restricted funds	16				
- Restricted fixed asset funds			846		42
- Restricted income funds			-		43
- Pension reserve			(867)		(365)
Total restricted funds			(21)		(280)
Unrestricted income funds	16		130		82
Total funds			109		(198)

The financial statements on pages 20 to 39 were approved by the board of trustees and authorised for issue on 15/10/20 and are signed on their behalf by:

C.M. Garside CBE.

Mrs Catherine Marie Garside (Chair)
Chair of Trustees

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	18		76		(31)
Cash funds transferred on conversion			-		114
			76		83
Cash flows from investing activities					
Capital grants from DfE Group		34		-	
Purchase of tangible fixed assets		(28)		(10)	
Net cash provided by/(used in) investing activities			6		(10)
Net increase in cash and cash equivalents in the reporting period			82		73
Cash and cash equivalents at beginning of the year			73		-
Cash and cash equivalents at end of the year			155		73

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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 i.e. 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.

Income

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

Grants

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

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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 prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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.

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.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	826	826	-

The income from donations and capital grants was £826,000 (2018: £Nil) of which £826,000 was restricted fixed assets (2018: £Nil).

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	2,050	2,050	1,976
Other DfE group grants	-	407	407	598
	-	2,457	2,457	2,574
Other government grants				
Local authority grants	-	96	96	67
	-	2,553	2,553	2,641

The income from funding for educational operations was £2,553,000 (2018: £2,641,000) of which £2,553,000 was restricted (2018: £2,641,000).

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Music tuition	3	-	3	3
Other income	130	-	130	79
	<u>133</u>	<u>-</u>	<u>133</u>	<u>82</u>

The income from other trading activities was £133,000 (2018: £82,000) of which £133,000 was unrestricted (2018: £82,000).

6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	1,241	-	11	1,252	2,112
- Allocated support costs	1,046	213	323	1,582	724
	<u>2,287</u>	<u>213</u>	<u>334</u>	<u>2,834</u>	<u>2,836</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets	22	24
Net interest on defined benefit pension liability	12	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	14
- Other services	4	3
	<u>18</u>	<u>17</u>

7 Charitable activities

	2019 £'000	2018 £'000
All from restricted funds:		
Direct costs		
Educational operations	1,252	2,112
Support costs		
Educational operations	1,582	724
	<u>2,834</u>	<u>2,836</u>

The expenditure on charitable activities was £2,834,000 (2018: £2,836,000) of which £2,812,000 was restricted (2018: £2,812,000) and £22,000 was restricted fixed assets (2018: £24,000).

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities (Continued)

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	1,048	221
Depreciation	22	24
Premises costs	191	200
Other support costs	203	192
Governance costs	118	87
	<u>1,582</u>	<u>724</u>

8 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	1,499	1,253
Social security costs	168	118
Pension costs	529	364
	<u>2,196</u>	<u>1,735</u>
Staff costs - employed	2,196	1,735
Agency staff costs	91	279
	<u>2,287</u>	<u>2,014</u>
Staff development and other staff-related costs	2	13
	<u>2,289</u>	<u>2,027</u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	24	24
Administration and support	40	42
	<u>64</u>	<u>66</u>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff (Continued)

Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	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 £499,257 (2018: £391,803).

9 Central services

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

10 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or have received any other benefits from an employment with the academy trust.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 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 YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Computer equipment £'000
Cost	
At 1 September 2018	123
Additions	28
	<hr/>
At 31 August 2019	151
	<hr/>
Depreciation	
At 1 September 2018	71
Charge for the year	22
	<hr/>
At 31 August 2019	93
	<hr/>
Net book value	
At 31 August 2019	58
	<hr/>
At 31 August 2018	52
	<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.

13 Debtors	2019 £'000	2018 £'000
VAT recoverable	94	80
Other debtors	3	3
Prepayments and accrued income	869	148
	<hr/>	<hr/>
	966	231
	<hr/>	<hr/>
14 Creditors: amounts falling due within one year	2019 £'000	2018 £'000
Trade creditors	87	10
Other taxation and social security	34	35
Other creditors	20	20
Accruals and deferred income	62	124
	<hr/>	<hr/>
	203	189
	<hr/>	<hr/>

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Financial instruments

	2019 £'000	2018 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	867	136
Carrying amount of financial liabilities		
Measured at amortised cost	129	154

16 Funds

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds (Continued)

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, ESFA 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.

Funds prior year

	Balance at 7 July 2017 £'000	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)
	-	2,641	(3,062)	99	(322)
Restricted fixed asset funds					
Transfer on conversion	-	-	66	-	66
DfE group capital grants	-	-	(24)	-	(24)
	-	-	42	-	42
Total restricted funds	-	2,641	(3,020)	99	(280)
Unrestricted funds					
General funds	-	82	-	-	82
Total funds	-	2,723	(3,020)	99	(198)

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds (Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
St Patrick's R C Primary School	(112)	(36)
Alice Ingham R C Primary School	120	38
St Teresa of Calcutta Catholic Academy Trust	123	123
Total before fixed assets fund and pension reserve	131	125
Restricted fixed asset fund	846	42
Pension reserve	(867)	(365)
Total funds	110	(198)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
St Patrick's R C Primary School	390	296	(12)	190	864	1,784
Alice Ingham R C Primary School	851	749	23	301	1,924	1,000
St Teresa of Calcutta Catholic Academy Trust	-	1	1	22	24	28
	1,241	1,046	12	513	2,812	2,812

17 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 2019 are represented by:				
Tangible fixed assets	-	-	58	58
Current assets	130	203	788	1,121
Creditors falling due within one year	-	(203)	-	(203)
Defined benefit pension liability	-	(867)	-	(867)
Total net assets	130	(867)	846	109

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'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)
Total net assets	82	(322)	42	(198)

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

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	678	(297)
Adjusted for:		
Net deficit on conversion to academy	-	184
Capital grants from DfE and other capital income	(826)	-
Defined benefit pension scheme costs less contributions payable	119	89
Defined benefit pension scheme finance cost	12	11
Depreciation of tangible fixed assets	22	24
Movements in working capital:		
Decrease/(increase) in debtors	57	(231)
Increase in creditors	14	189
Net cash provided by/(used in) operating activities	76	(31)

19 Members' liability

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

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 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 2016, 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.

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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £238,290 (2018: £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 agreed contribution rates for future years are 19.7% for employers and 5.5 to 10.5% for employees.

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

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.

The past service cost recognised of £26,000 (2018: £Nil) in the year relates to the effect of the McCloud judgement regarding age discrimination in respect of public service pensions.

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	134	118
Employees' contributions	37	32
Total contributions	171	150

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.1	3.1
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	1,039	878
Bonds	229	206
Property	122	91
Other assets	138	116
Total fair value of assets	1,528	1,291

The actual return on scheme assets was £66,000 (2018: £81,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	227	207
Net interest cost	12	11
Past service cost	26	-
Total operating charge	265	218

Changes in the present value of defined benefit obligations	2019 £'000	2018 £'000
At 1 September 2018	1,656	-
Obligations acquired on conversion	-	1,424
Current service cost	227	207
Interest cost	50	40
Employee contributions	37	32
Actuarial loss/(gain)	399	(47)
Past service cost	26	-
At 31 August 2019	2,395	1,656

ST TERESA OF CALCUTTA CATHOLIC ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

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

	2019 £'000	2018 £'000
At 1 September 2018	1,291	-
Assets acquired on conversion	-	1,060
Interest income	38	29
Return on plan assets (excluding net interest on the net defined pension liability)	28	52
Employer contributions	134	118
Employee contributions	37	32
At 31 August 2019	1,528	1,291

21 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 10.

22 Post balance sheet events

On 1 December 2019 the Trust admitted St Gregory's RC Primary School following its conversion to Academy Trust status. The financial effect of this event cannot be made at this time.

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 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by St Teresa Of Calcutta Catholic Academy Trust during the period 1 September 2018 to 31 August 2019 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 1 September 2018 to 31 August 2019 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 2018 to 2019 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 2018, 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 2018 to 2019.

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 1 September 2018 to 31 August 2019 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 2018 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 2018 to 2019.

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.

Brian Johnson

RSM UK Audit LLP

Chartered accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire

PR2 5PE

Dated: 20/1/20