

FRASSATI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

FRASSATI CATHOLIC ACADEMY TRUST**(A Company Limited by Guarantee)**

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FRASSATI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2019

Members

John Frederick Nelson
Hans Daems
RT Rev Philip Egan
Rev James McGrath
Rev Canon Dominic Golding
Rev Canon Michael Denehy
Rev Dr Stephen Morgan

Trustees

| | |
|---------------------|-------|
| Hans Daems | Chair |
| Stephen Poulston | |
| Stephen Clay | |
| Father John Lee | |
| Father Danny McEvoy | |
| Martin McNamee | |
| David Masters | |

CEO and Accounting Officer until 31.03.2019 also Headteacher St. Margaret Clitherow Primary School

| | |
|---------------------|--|
| Jacqueline LeMaitre | CEO - Ex-Officio, Accounting Officer Ex-Officio commenced 01.04.2019 |
| Kate Foreman | CFO - Ex-Officio, also School Business Manager St. Edmund Campion |

Local Governing Body – St Francis Catholic Primary School

| | |
|------------------------|----------------------------|
| John Ware | Chair, Foundation Governor |
| Rhona Miccoli | Head of School |
| Juanita Dunlop | Executive Headteacher |
| Stephen Poulston | Foundation Governor |
| Angela Wilding | Foundation Governor |
| Carmel Barnes | Foundation Governor |
| Farther Kevin Bidgood | Foundation Governor |
| Margot Tomkinson-Smith | Parent Governor |
| Alison Wallis | Parent Governor |
| Jason Elwell | Foundation Governor |

Local Governing Body – St. Margaret Clitherow Catholic Primary School

| | |
|----------------------|---------------------------------|
| Stephen Clay | Chair, Foundation Governor |
| Reverend Aiden Lynch | Foundation Governor |
| Maria Illingworth | Foundation Governor |
| David Parkinson | Foundation Governor |
| David Doyle | Associate Member |
| Alex Burzynski | Vice Chair, Foundation Governor |
| Kristina Ward-Horner | Foundation Governor |
| Hayley McKelvie | Parent Governor |
| Andy Ferrari | Parent Governor |
| Imogen Adams | Co-Opted Governor |
| Lis Jones | Staff Governor |
| David Masters | Ex-Officio |
| Christopher Watts | Associate Member |

FRASSATI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued) FOR THE YEAR ENDED 31 AUGUST 2019

Local Governing Body – St. Mary’s Catholic Primary School and Pre-School

| | |
|-------------------|--|
| Hans Daems | Chair, Foundation Governor |
| Martin McNamee | Vice-Chair, Foundation Governor |
| Jonathon Holder | Foundation Governor |
| Berj Tekerian | Foundation Governor |
| Andrew Adamson | Foundation Governor |
| Father John Lee | Priest, Foundation Governor |
| Jenny Rye | Foundation Governor |
| Tim Manning | Foundation Governor |
| Sandra Barry | Staff Governor, Headteacher |
| Natasha Lewington | Staff Governor |
| Alex Irvine-Flynn | Parent Governor |
| Marie Oke | Deputy Headteacher (resigned April 2019) |
| Andrew Fletcher | resigned April 2019 |

Local Governing Body – St. Edmund Campion Catholic Primary School and Pre-School

| | |
|---------------------|---------------------------------|
| Julia Evans | Chair, Foundation Governor |
| Sarah Armstrong | Vice-Chair, Foundation Governor |
| Ed Robinson | Foundation Governor |
| Liam Cummins | Priest, Foundation Governor |
| Dean Bickford | Foundation Governor |
| James McWalter | Foundation Governor |
| Anna Walsh | Foundation Governor |
| Jennifer Camp-Overy | Staff Governor |
| Patricia Opalko | Headteacher |
| Neil King | Parent Governor |

Local Governing Body – St. Teresa’s Catholic Academy

| | |
|------------------|---------------------------------|
| Charlotte Excell | Chair, Foundation Governor |
| Sarah Huxford | Vice-Chair, Foundation Governor |
| John Burns | Foundation Governor |
| Matthew Sullivan | Parent Governor |
| Anne-Louise Doe | Foundation Governor |
| Anne-Marie Eden | Foundation Governor |
| Caroline Robins | Staff Governor |
| Fiona Hayward | Foundation Governor |
| Lucy Littlejohns | Parent Governor |
| Nikki Peters | Headteacher |

Senior Management Team – St Francis Catholic Primary School

| | |
|---------------|-------------------------|
| Rhona Miccoli | Headteacher |
| Tanya Swan | Assistant Headteacher |
| Julia Gurney | Assistant Headteacher |
| Rob Maxfield | KS2 Lead |
| Sarah Farrell | School Business Manager |

FRASSATI CATHOLIC ACADEMY TRUST**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

Senior Management Team – St. Margaret Clitherow Catholic Primary School

| | |
|---------------|--------------------|
| David Masters | Headteacher |
| Lisbeth Jones | Deputy Headteacher |
| Rebecca Brown | Senior Teacher |

Senior Management Team – St. Mary's Catholic Primary School

| | |
|---------------|---|
| Sandra Barry | Headteacher |
| Marie Oke | Deputy Headteacher (retired April 2019) |
| Neelam Chawla | School Business Manager |
| Gillian Hague | Senior Teacher |
| Elizabeth Cox | Senior Teacher |
| Jane Tempest | Senior Teacher |

Senior Management Team – St. Mary's Pre-school

| | |
|-----------------|------------------|
| Michelle Truman | Manager |
| Estelle Jack | Deputy |
| Jenifer Doswell | Business Manager |

Senior Management Team – St. Edmund Campion Catholic Primary School

| | |
|---------------------|--------------------|
| Patricia Opalko | Headteacher |
| Jennifer Camp-Overy | Deputy Headteacher |
| Emma Brookman | Senior teacher |
| Emily Tang | Senior Teacher |
| Lisa Opalko | SENCO |

Senior Management Team – St. Edmund Campion Nursery / Pre-school

| | |
|---------------------|------------------------------------|
| Patricia Opalko | Headteacher |
| Jennifer Camp-Overy | Deputy Headteacher |
| Emma Brookman | Early Years Leader, Senior Teacher |
| Alma Powell | Nursery Business Manager |
| Kelly Knight | Nursery Room Leader |

Senior Management Team – St. Teresa's Catholic Academy

| | |
|---------------|-------------------------|
| Nikki Peters | Headteacher |
| Karen Boucher | School Business Manager |
| L. Jones | Assistant Headteacher |
| L. Cook | Assistant Headteacher |
| S. Hoover | KS2 Lead |
| J Cahaffey | KS1 Lead |
| K Hines | Foundation Lead |

Company Name

Frassati Catholic Academy Trust

FRASSATI CATHOLIC ACADEMY TRUST

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019**

Principal and Registered Office

Jacqueline LeMaitre (CEO and CAO)

St. Mary's Catholic Primary School
Cookham Road
Maidenhead
Berkshire SL6 7EG

Company Registered Number

08561153 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Frassati Catholic Academy Trust Lloyds Bank PLC branches:

| | |
|---------------------------------|---|
| Frassati Catholic Academy Trust | Paddington: 167-169 Edgware Road, Paddington, W2 2HR |
| St. Francis | Windsor: 2 Thames Street, Windsor, Berkshire SL4 1PL |
| St. Margaret Clitherow | Bracknell: 10 High Street, Bracknell, Berkshire RG121BT |
| St. Mary's | Maidenhead: 45 High Street, Maidenhead, Berkshire SL6 1JS |
| St. Mary's Pre-School | Maidenhead: 45 High Street, Maidenhead, Berkshire SL6 1JS |
| St. Edmund Campion School | Maidenhead: 45 High Street, Maidenhead, Berkshire SL6 1JS |
| St. Edmund Campion Nursery | Maidenhead: 45 High Street, Maidenhead, Berkshire SL6 1JS |
| St. Teresa's | Bracknell: 10 High Street, Berkshire RG121BT |

Solicitors

Blake Morgan Solicitors LLP, New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2018 to 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates academies for pupils aged 3 to 11 serving a catchment area in East Berkshire. It has a pupil capacity of 1590 and had a roll of 1577 in the most recent school census 2019. Within the Academy Trust there are five primary schools and three nursery / pre-schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

Frassati Catholic Academy Trust is a company limited by guarantee and an exempt charity. The trustees of Frassati Catholic Academy Trust are also the directors of the charitable trust company for the purposes of company law. The charitable company is known as Frassati Catholic Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year 18/19 was £435.21 plus insurance premium tax.

Method of Recruitment and Appointment or Election of Trustees

The current Trustees of Frassati Catholic Academy Trust were appointed from among the Local Governing Bodies of the schools and pre-school which were part of the Trust on / before June 30th 2017, these appointments were approved by the Diocese of Portsmouth. The Trust is currently awaiting approval of the Scheme of Delegation and Articles of Association from the Regional School's Commissioner's Office, once these documents have been approved, further Trustees will be appointed in accordance with said documents.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees receive training in their capacity as members of their Local Governing Bodies and through the Diocese of Portsmouth. The Clerk to the Trustees has an arrangement with the Royal Borough of Windsor and Maidenhead to seek advice and training accordingly.

Organisational Structure

Frassati Catholic Academy Trust is a Multi-Academy Trust which comprises five schools and three pre-schools. The Board of Trustees has delegated the day-to-day management of the schools and pre-schools to the local Governing Bodies in accordance to the proposed Scheme of Delegation and Articles of Association. The budgets of the schools and pre-schools are approved by the Board of Trustees. The Headteacher of St. Margaret Clitherow School was Chief Executive Officer and Accounting Officer until March 2019, in April 2019 a new CEO was appointed. The School Business Manager of St. Edmund Campion Primary School was appointed as CFO of the Trust in September 2018. The Board of Trustees also approves the Admissions for the schools and pre-schools. The Finance and Pay Policies are academy Trust documents.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Finance and Pay Policies are academy policies, which apply to all the schools and pre-schools. Pay and remuneration is set in accordance with these policies, which reflect the School Teachers Pay and Conditions Document 2019. Leadership and Main Scale Teachers' is set through Performance Management Procedures. The Headteachers' Performance Management is set by the CEO and Trustees. Support staff Pay and Performance relates to grade and job description and follows the Local Authority guidance of each establishment.

Employees and disabled persons

Frassati Catholic Academy Trust does not discriminate against disabilities in respect of applications of employment or the treatment of employees who become disabled and the training, career development and promotion. The Trust encourages its employees to state if they are disabled or become disabled, in order that employees can be supported appropriately and any necessary adjustments made to their environment accordingly.

Trade union facility time

Relevant union officials

| | |
|--|--|
| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number None |
|--|--|

Percentage of time spent on facility time

| | |
|--------------------|---------------------|
| Percentage of time | Number of employees |
| 0% | None |
| 1%-50% | None |
| 51%-99% | None |
| 100% | None |

Percentage of pay bill spent on facility time

| | |
|---|-----|
| Total cost of facility time | Nil |
| Total pay bill | Nil |
| Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | Nil |

Paid trade union activities

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

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Related Parties and other Connected Charities and Organisations

Frassati Catholic Academy Trust is a Multi Academy Trust with five schools and three pre-schools. All are part of a cluster of East Berkshire Catholic Schools. They are also party to other soft networks within the Royal Borough of Windsor and Maidenhead, Wokingham and Bracknell Forest Council areas and schools within the Catholic Diocese of Portsmouth. During the year ended 31st August 2019 there were no formal agreements between these schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of Frassati Catholic Academy Trust is to advance for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carry on, managing and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 2.5 and 11.

Our Mission:

"Our vision of Catholic Education for Frassati Catholic Academy Trust is to provide a learning community, celebrating Christ in all, building a kingdom of love, hope and joy."

Frassati Catholic Academy Trust aims to provide an outstanding Catholic Education to children in our care.

- Providing outstanding teaching and learning, rigorous monitoring, with a variety of experiences for all the young people in our care
- We seek to continue the work that has been handed to us by previous generations and to make Catholic Education a beacon of excellence.

Objectives, Strategies and Activities

Frassati Catholic Academy Trust's main strategy is rooted in the mission of the Catholic Church, are main objectives are:

- Maintain the highest quality of Catholic education and provide a broad, balanced curriculum suited to the needs of all.
- Being effective in our teaching so as to develop a child's intellect, experience and imagination growing teaching skills by on-going inset and CPD, lesson observation and performance management to further improve the standards.
- Valuing every child as an individual with needs and aspirations who can make a distinct contribution to the life of the school community – each school provides a broad and balanced curriculum, which is developed each year to take advantage of opportunities, both nurturing and using all the talents of the children.
- Providing a stimulating and well-resourced environment in which children's achievements are celebrated and shared – the planned purchase of resources and the development of the learning environment is an on-going process, which contributes significantly to the outcomes for children.
- Encouraging everyone to have an understanding and respect of different religions, cultures, societies and people – the Catholic ethos of all the schools compliments the teaching of British values. Everyone understands that in a multi-cultural society with global responsibility it is essential that everyone values each other's viewpoints and respects both the rights and responsibilities all citizens have. This is ongoing through the year.
- Continuing promoting a good rapport between pupils, all staff groups and parents – the partnership with parents underpins the school improvement and management plans of all the settings.
- Having high expectations of work and behaviour – the Frassati ethos places great emphasis on using the talents we have and behaving in a loving and caring way to all. Behaviour is recognised as excellent in all the settings by Ofsted.

In all the above cases attainment is measured through the outcomes for children both academic and social.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Public Benefit

The Academy Trust's trustees have complied with their duty to support the primary objectives of the Trust as detailed above, in accordance with Charity Commission Guidance for Charities and Public Benefit as defined by FRS102.

STRATEGIC REPORT

Achievements and Performance

| School | Top 3 |
|------------------------|---|
| St. Francis | <ul style="list-style-type: none">• Ranked 155 in the top 500 State Primary Schools;• New school library funded by the Friends of St. Francis;• Excellent Achievement for our children across the school. |
| St. Margaret Clitherow | <ul style="list-style-type: none">• Introduction of 'Bishop of Portsmouth Award' – a DoE style extended curriculum programme for Years 4-6;• Using all stakeholders input to form new Vision Statement for the school and mission;• Successful outcome to RE Monitoring visit – actions from previous validation address. |
| St. Mary's | <ul style="list-style-type: none">• Above average GD in RWM at KS1• Above average reading, maths and GPS at KS2• Continued to develop a broader more balanced curriculum and developed a Maths Mastery across the school |
| St. Edmund Campion | <ul style="list-style-type: none">• Excellent outcomes for children at all statutory assessment points;• Outstanding sports results: Achieved Platinum Sports Mark (the only school in RBWM to achieve this), county champions for orienteering once again, league winners in the boys and girls football, most children from year 2 upwards participated in an external sports event;• Continued to focus on reading for pleasure by welcoming a diverse range of children's illustrators and authors into school. |
| St. Teresa's | <ul style="list-style-type: none">• Increased results in EYFS and Phonics Test• Above national average for Exp+ in KS2• Continued to provide an outstanding education for all pupils. |

Key Performance Indicators

| School | Standards |
|------------------------|---|
| St. Francis | <ul style="list-style-type: none">• GLD: 90%• Year 1 Phonics Screening: 83%• KS1: Reading; Exp+ 80% GD 27% Writing; Exp+ 97% GD 10% Maths; 90% GD 33% Combined R,W,M 93% |
| St. Margaret Clitherow | <ul style="list-style-type: none">• GLD: 77%• Year 1 Phonics Screening: 93%• KS1: Reading; Exp+ 83% GD 30% Writing; Exp+ 73% GD 10% Maths; Exp+ 80% GD 23%, Combined; Exp+ 73% GD 13% |

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators (continued)

| | |
|--------------------|--|
| St. Mary's | <ul style="list-style-type: none"> EYFS 73 % GLD Phonics 84% Pass EXS at KS1 Reading 70%, Writing 56%, Maths 77%, combined RWM 53%, Higher - Reading 36%, writing 32%, maths 31% |
| St. Edmund Campion | <ul style="list-style-type: none"> EYFS: 78% GLD Phonics: 95% KS1 - Reading 83% ARE/ARE + 18% GD Writing 75% ARE/ARE+ 10% Maths 83% ARE/ARE+ 30% |
| St. Teresa's | <ul style="list-style-type: none"> EYFS 87.5% GLD Phonics – 95% KS1 - Reading 89% ARE/ARE + 27% Writing 74% ARE/ARE+ 18% Maths 87% ARE/ARE+ 16% Combined R,W,M 69% ARE/ARE+ 11% |

| Year 6 KS2 results 2019 | St. Edmund Campion | St Francis | St Margaret Clitherow | St Mary's | St Teresa's | National Average |
|---|--------------------|------------|-----------------------|-----------|-------------|------------------|
| Achieving Expected standard in Writing | 93 | 97 | 83 | 58 | 80 | 79 |
| Achieving Expected standard in Maths | 98 | 100 | 93 | 84 | 89 | 79 |
| Achieving expected standard in SPAG | 95 | 100 | 87 | 89 | 91 | 78 |
| Achieving expected standard in Reading | 88 | 97 | 83 | 78 | 93 | 73 |
| Achieving expected standard in Reading, writing and maths | 85 | 97 | 73 | 53 | 78 | 65 |
| Achieving higher standard in Writing | 28 | 45 | 20 | 13 | 16 | 20 |
| Achieving higher standard in Maths | 55 | 66 | 37 | 31 | 42 | 27 |
| Achieving higher standard in Reading | 57 | 52 | 20 | 36 | 49 | 27 |

Strategic Aim 1- Mission and Ethos, Strong Communities and Partnerships

Through our Catholic faith, promote the academic, spiritual, emotional and social growth of the individual child and young person.

Strategic Aim 2- Exceptional Learners: Teaching, Learning and Assessment Innovative Systems enabling creative schools

To ensure that all our academies provide the very best teaching in order to promote and provide high quality learning for all our children and young people and ensuring that there is support in place for teachers to achieve this.

Strategic Aim 3 Strong Communities and Partnerships: Academy Improvement

To establish a self-sustaining, system-led, collaborative approach to improvement that enables rapid improvement where required.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic Aim 4 Outstanding Professionals: Leadership and Governance

To ensure high quality leadership and governance at Trust Board, Local Governing Body and individual academy level.

Strategic Aim 5: Integrated and effective Business Support Service

To ensure that the Trust has business support arrangements which are efficient and deliver value for money across all its operations.

During the financial period, the schools have continued to invest in resources to improve the outcomes for pupils and support all groups of children. This is in line with the company's agreed policy. This investment is reflected in the Key Stage results.

Going Concern

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

FINANCIAL REVIEW

Frassati Catholic Academy Trust is in a strong financial position. The Trustees approved a balanced budget for the year to 31 August 2019 and expect to be able to fulfil the educational objectives within the funds available. The principal source of funding is GAG. The majority of expenditure is to employ experienced teaching staff and teaching assistants for each school. This level of staffing in the classroom enables the best possible outcomes for the children in the schools.

The quality of Teaching & Learning is the principle factor in ensuring that outcomes for children are the highest they can be. The level and quality of staffing in the classroom, training of staff and provision of resources, provides the focus for spending and contributes to achieving the Trust's aims.

The MAT board and local governing bodies ensure that spending contributes to the aims and provides the best use of financial resources. The greatest barriers schools face are rising costs and static funding. Changes to Teacher's salaries, National Insurance and Pension Contributions last year had a significant effect on the budget, which is ongoing. Going forward this continues to be a concern especially, considering, potential further reduction in to funding and the on-going payment of the Apprenticeship Levy.

Reserves Policy

PURPOSE

The purpose of the reserve policy is to ensure the stability of the Trusts and Academy's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

DEFINITIONS AND GOALS

Restricted Reserves

Restricted reserves are represented by the main income for the Academy schools which is General Annual Grant (GAG), other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donors instructions.

There is a percentage carry forward of GAG restricted funds which is calculated at the year end and can be used for future years mainly for capital and a small percentage for operational purpose.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves for each school will be determined by the Local Governing Body (LGB) annually and can fluctuate depending on operational needs but the Governors have determined that the Academy should aim to have a minimum of two month's payroll held in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Multi Academy Trust reserves are those which remain from the percentage of the GAG contributed by each school. The Directors have determined that the Trust should aim to have a minimum of £20 000 held in reserves. All reserves are reported and reviewed regularly at LGB, committee and Academy Board meetings and expenditure from reserves approved by the LGB and/or Academy Board.

Unrestricted Funds

These are made up of the academy's activities for generating funds, investment income and other donations which are expendable at the discretion of the LGB/Board in furtherance to achieve the objectives of the Academy.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

These funds will be reviewed regularly by the Governors and finance committee and are obtained through one off donations and are generally built up over time from fund generating activities and investments.

Designated Funds

These are unrestricted funds that have been allocated by the Governors for a particular purpose.

These funds are reviewed regularly and approved by the Governors and finance committee; they are obtained by designated funds from the unrestricted funds.

USE OF RESERVES

1. Identification of appropriate use of reserve funds

The Board and/or LGB will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required and replenished.

2. Authorisation of use of reserves

Authorisation to use reserves of any kind will be made by the Board and/or the LGB, at the next available meeting the approval should be noted in the minutes.

3. Reporting and monitoring

The Directors/Governors are responsible for ensuring that the funds are maintained and used only as described in this policy. Upon approval for the use of these funds, the Academy will maintain a record of the use of the funds. The Audit Committee should regularly monitor the progress of the reserves.

REVIEW OF POLICY

This policy will be reviewed by Board every three years or sooner if warranted by internal or external events or changes. Changes to the policy will be recommended by the Audit Committee to the Academy Board.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

At 31 August 2019 the total funds comprised:

| | | |
|--------------|-------------------|-------------------|
| Unrestricted | | 482,472 |
| Restricted: | Fixed asset funds | 5,620,684 |
| | Pension reserve | (3,357,000) |
| | Other | 1,364,727 |
| | | <u>£4,110,883</u> |

Investment Policy

All cash is invested with Lloyds Bank, Barclays Bank, Cambridge and Counties Building Society.

Principal Risks and Uncertainties

The principle risks facing the Academy Trust are:

- Reputation Risk – mitigated by high standards, policies and procedures along with robust safeguarding policies and procedures within the school.
- Performance risk – mitigated by high quality recruitment, CPD, practice coupled with robust monitoring.
- Financial risk – the principle financial risks are reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risk presented here are mitigated by careful budgeting and prudent financial planning.
- Pensions – all staff who are in the pension schemes are either in the Local Government Pension Scheme or in the Teachers' Pension Scheme.
- Risks associated with personnel – mitigated by appropriate policies and monitoring.

The Academy Trust practices through its Board, the Local Governing Bodies and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board's attention with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The trust and Local Governing Bodies accept managed risks as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the board and local Governing Bodies collectively, whilst more minor risks are dealt with by senior officers.

FUNDRAISING

- We actively approach companies and organisations to fundraise for specific projects.
- Funds are raised through parents and community voluntary activities.
- We do not work with any commercial participators of professional fundraisers.
- Fundraising is monitored by the CEO, CFO and Leadership Teams.
- There have been no complaints raised regarding our fundraising practices.
- We do not use unreasonable, intrusive or persistent fundraising approaches to fundraising with undue pressure to donate.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

PLANS FOR FUTURE PERIODS

The Local Governing Bodies have approved School Development Plans, which are reviewed annually. The CEO (appointed Summer 2019) is collaborating with the Local Governing Bodies and Headteachers of each academy in order to develop future strategies which will be guided by the Diocese of Portsmouth and the DFE. Resources will continue to be allocated to provide the best possible outcomes educationally for the children and to ensure there is succession planning for staff throughout the MAT.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Frassati Catholic Academy Trust nor its Trustees acted as custodian trustees on behalf of others during the year ended 31st August 2019.

AUDITOR

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:

Hans Daems
Trustee

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Frassati 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 CEO 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 Frassati 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 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Role | Meetings Attended | Out of a Possible |
|---------------------|---|--------------------------|--------------------------|
| Hans Daems | Chair, St. Mary's School, Maidenhead | 5 | 9 |
| Stephen Clay | Foundation Governor, St. Margaret Clitherow School, Bracknell | 4 | 9 |
| Stephen Poulston | Chair, St. Francis Ascot | 8 | 9 |
| Martin McNamee | Vice Chair, St. Mary's School, Maidenhead | 5 | 9 |
| David Masters | Headteacher, St. Margaret Clitherow School, Bracknell | 9 | 9 |
| Father John Lee | Foundation Governor, St. Mary's School, Maidenhead | 5 | 9 |
| Father Danny McEvoy | Foundation Governor, St. Francis, Ascot | 0 | 8 |

| Ex-Officio | Role | Meetings Attended | Out of a Possible |
|---------------------|---|--------------------------|--------------------------|
| Jacqueline LeMaitre | CEO and Accounting Officer, commenced 01.04.2019 | 3 | 3 |
| Kate Foreman | CFO and School Business Manager St. Edmund Campion School, Maidenhead | 7 | 9 |

The Finance, Leadership and Management Committee at St. Margaret Clitherow School met as follows:

| Governor | Meetings Attended | Out of a Possible |
|-----------------|--------------------------|--------------------------|
| Stephen Clay | 5 | 5 |
| David Masters | 5 | 5 |
| David Parkinson | 1 | 5 |
| Andy Ferrari | 4 | 5 |
| David Doyle | 3 | 5 |
| Aiden Lynch | 2 | 3 |

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNANCE (continued)

The Finance and Resources Committee of St. Francis School met as follows:

| Governor | Meetings Attended | Out of a Possible |
|----------------------|------------------------------|------------------------------|
| Stephen Poulston | 1 | 3 |
| Juanita Dunlop | 2 | 3 |
| Sharon Elliot-Walker | 1 | 1 |
| Rhona Miccoli | 2 | 2 |
| John Ware | 3 | 3 |
| Angela Wilding | 3 | 3 |
| Alison Wallis | 3 | 3 |

The Finance and Resources Committee of St. Mary's School met as follows:

| Governor | Meetings Attended | Out of a Possible |
|-----------------|------------------------------|------------------------------|
| Alex Irvine | 2 | 3 |
| Hans Daems | 2 | 3 |
| Jonathan Holder | 2 | 3 |

The Finance and Resources Committee of St. Edmund Campion School met as follows:

| Governor | Meetings Attended | Out of a Possible |
|---------------------|------------------------------|------------------------------|
| Dean Bickford | 3 | 3 |
| Julia Evans | 3 | 3 |
| Ed Robinson | 3 | 3 |
| James McWalter | 1 | 3 |
| Jennifer Camp-Overy | 3 | 3 |
| Patricia Opalko | 3 | 3 |

The Finance and Resources Committee of St. Teresa's School met as follows:

| Governor | Meetings Attended | Out of a Possible |
|------------------|------------------------------|------------------------------|
| Charlotte Excell | 1 | 3 |
| John Burns | 3 | 3 |
| Matt Sullivan | 1 | 1 |
| Sarah Huxford | 2 | 4 |
| Lucy Littejohns | 3 | 4 |
| Anne-Marie Eden | 3 | 3 |
| Anne-Louise Doe | 3 | 3 |
| Nikki Peters | 4 | 4 |

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

As accounting officer the CEO, Jacqueline LeMaitre (appointed April 2019) 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.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Using the specified tendering process
- Abiding by the principles of 'best value' and 'value for money'
- Adhering to the Academies Financial Handbook, the MAT Financial Procedures and Schedule of Financial Delegation

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 Frassati 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.

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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st 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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

THE RISK AND CONTROL FRAMEWORK (continued)

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

- to appoint JD Education Finance Services as internal auditor / Responsible Officer

The RO's roles includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing payroll systems
- testing purchasing systems
- testing control account / bank reconciliations
- giving advice on financial matters
- ensuring delegation rules are adhered to
- ensuring finance staff adhere to the finance manual and academies handbook

On a termly basis the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer the CEO 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 JD Education Finance Services (Internal Auditor)
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 9 December 2019 and signed on its behalf by:

Hans Daems
Trustee

Jacqueline LeMaitre
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Frassati Catholic Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 board of trustees are able to identify any material irregular or improper use of all 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.

Jacqueline LeMaitre
Accounting Officer

9 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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;
- 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 grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:

Hans Daems
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FRASSATI CATHOLIC ACADEMY TRUST**

Opinion

We have audited the financial statements of Frassati Catholic Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the 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 Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FRASSATI CATHOLIC ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. 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.

Opinion 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 (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Strategic Report and the Directors Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FRASSATI CATHOLIC ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Academy Trust's members and Trustees, 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 Academy Trust's members those matters we are required to state to them in an Auditors' 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRASSATI CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Frassati Catholic Academy Trust during the year 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.

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

Respective responsibilities of Frassati Catholic Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Frassati Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 27 June 2013 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.

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. 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 year 1 September 2018 to 31 August 2019 have not been applied to purposes intended 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 FRASSATI CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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 year 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.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2019

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|----------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 8,978 | 70,503 | 692,757 | 772,238 | 236,524 |
| Charitable activities | 4 | - | 6,652,416 | - | 6,652,416 | 6,561,578 |
| Teaching schools | 28 | - | 47,389 | - | 47,389 | 49,252 |
| Other trading activities | 5 | 609,670 | 118,414 | - | 728,084 | 746,139 |
| Investments | 6 | 2,874 | - | - | 2,874 | 2,908 |
| Total income | | 621,522 | 6,888,722 | 692,757 | 8,203,001 | 7,596,401 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 624,709 | 57,115 | - | 681,824 | 671,353 |
| Charitable activities | 8 | 401 | 6,926,529 | 138,590 | 7,065,520 | 6,758,089 |
| Teaching schools | 28 | - | 39,033 | - | 39,033 | 66,463 |
| Total expenditure | 7 | 625,110 | 7,022,677 | 138,590 | 7,786,377 | 7,495,905 |
| Net (expenditure)/ income | | (3,588) | (133,955) | 554,167 | 416,624 | 100,496 |
| Transfers between funds | 18 | - | (128,146) | 128,146 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (3,588) | (262,101) | 682,313 | 416,624 | 100,496 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 24 | - | (499,000) | - | (499,000) | 509,000 |
| Net movement in funds | | (3,588) | (761,101) | 682,313 | (82,376) | 609,496 |

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|--|--|--|---------------------------------------|---------------------------------------|
| Note | | | | | |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 486,060 | (1,242,402) | 4,938,371 | 4,182,029 | 3,572,533 |
| Net movement in funds | (3,588) | (761,101) | 682,313 | (82,376) | 609,496 |
| Total funds carried forward | 482,472 | (2,003,503) | 5,620,684 | 4,099,653 | 4,182,029 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 59 form part of these financial statements.

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08561153

BALANCE SHEET
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|-------------|--------------------|--------------------|-------------------|-------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | | 5,451,861 | | 4,918,451 |
| | | | 5,451,861 | | 4,918,451 |
| Current assets | | | | | |
| Debtors | 16 | 696,786 | | 437,032 | |
| Cash at bank and in hand | | 2,213,973 | | 1,929,415 | |
| | | 2,910,759 | | 2,366,447 | |
| Creditors: amounts falling due within one year | 17 | (905,967) | | (678,869) | |
| Net current assets | | | 2,004,792 | | 1,687,578 |
| Total assets less current liabilities | | | 7,456,653 | | 6,606,029 |
| Defined benefit pension scheme liability | 24 | | (3,357,000) | | (2,424,000) |
| Total net assets | | | 4,099,653 | | 4,182,029 |
| Funds of the Academy Trust | | | | | |
| Restricted funds: | | | | | |
| Fixed asset funds | 18 | 5,620,684 | | 4,938,371 | |
| Restricted income funds | 18 | 1,353,497 | | 1,181,598 | |
| Pension reserve | 18 | (3,357,000) | | (2,424,000) | |
| Total restricted funds | 18 | | 3,617,181 | | 3,695,969 |
| Unrestricted income funds | 18 | | 482,472 | | 486,060 |
| Total funds | | | 4,099,653 | | 4,182,029 |

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

Hans Daems
Chair of Trustees

The notes on pages 29 to 59 form part of these financial statements.

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 161,798 | 844,623 |
| Cash flows from investing activities | 21 | 122,760 | (405,657) |
| Change in cash and cash equivalents in the year | | 284,558 | 438,966 |
| Cash and cash equivalents at the beginning of the year | | 1,929,415 | 1,490,449 |
| Cash and cash equivalents at the end of the year | 22 | 2,213,973 | 1,929,415 |

The notes on pages 29 to 59 from part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 the funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 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 allocated on the portion of the asset's use.

- **Expenditure on raising funds**

Expenditure on raising funds 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**

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy Trust 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account.

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

Depreciation is provided on the following bases:

| | |
|------------------------------|---|
| Long term leasehold property | - 2% per annum straight line (buildings only) |
| Furniture and equipment | - 10% per annum straight line |
| Computer equipment | - 33.3% per annum 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 incorporating Income and Expenditure Account.

The Academy Trust Company occupies land including buildings which are owned by The Diocesan Bishop and the Trustees of the Portsmouth Catholic Diocese. The Trustees are the providers of the Academy land and buildings on the same basis as when the Academy was a maintained school. The Academy Trust Company occupies the land and buildings under a licence. The continuing permission of these Trustees is pursuant to, and subject to, the Trustees' charitable objects, 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 Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust Company less than two years notice to terminate the occupation of the land including buildings.

1.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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.

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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 credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed assets 2019 £ | Total funds 2019 £ |
|----------------|--|--|---|---------------------------------------|
| Donations | 8,978 | 70,503 | 11,549 | 91,030 |
| Capital grants | - | - | 681,208 | 681,208 |
| | <u>8,978</u> | <u>70,503</u> | <u>692,757</u> | <u>772,238</u> |

Comparatives for 2018:

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed assets 2018 £ | Total funds 2018 £ |
|----------------|--|--|---|---------------------------------------|
| Donations | 10,636 | 50,608 | 109,285 | 170,529 |
| Capital grants | - | - | 65,995 | 65,995 |
| | <u>10,636</u> | <u>50,608</u> | <u>175,280</u> | <u>236,524</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy Trust's educational operations

| | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------------------------|--|---------------------------------------|---------------------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 5,312,676 | 5,312,676 | 5,288,136 |
| Pupil premium | 100,473 | 100,473 | 111,940 |
| Other DfE/ESFA revenue grants | 399,110 | 399,110 | 285,854 |
| School Direct income | 24,585 | 24,585 | 58,877 |
| | 5,836,844 | 5,836,844 | 5,744,807 |
| Other government grants | | | |
| SEN grant income | 111,259 | 111,259 | 94,432 |
| Other local authority grants | 449,911 | 449,911 | 462,615 |
| | 561,170 | 561,170 | 557,047 |
| Other funding | | | |
| Trip and other income | 254,402 | 254,402 | 259,724 |
| | 254,402 | 254,402 | 259,724 |
| | 6,652,416 | 6,652,416 | 6,561,578 |

There are no unfulfilled conditions or other contingencies attached to the government grants above.

In 2018 all funding for the Academy Trust's educational operations was from restricted funds.

5. Income from other trading activities

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|--------------------------------------|--|--|---------------------------------------|
| Rental income and hire of facilities | 56,134 | - | 56,134 |
| Insurance income | - | 13,261 | 13,261 |
| Other income | 553,536 | 105,153 | 658,689 |
| | 609,670 | 118,414 | 728,084 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

Income from other trading activities (continued)

Comparative for 2018:

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Rental income and hire of facilities | 50,827 | - | 50,827 |
| Insurance income | - | 25,344 | 25,344 |
| Other income | 571,716 | 98,252 | 669,968 |
| | <u>622,543</u> | <u>123,596</u> | <u>746,139</u> |

6. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | <u>2,874</u> | <u>2,874</u> | <u>2,908</u> |

In 2018 all investment income was from unrestricted funds.

7. Expenditure

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ |
|--|--------------------------|-----------------------|--------------------|-------------------------|
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | 557,806 | - | 124,018 | 681,824 |
| Academy's educational operations: | | | | |
| Direct costs | 4,318,135 | 11,788 | 620,225 | 4,950,148 |
| Allocated support costs | 1,107,138 | 316,472 | 691,762 | 2,115,372 |
| Teaching school | 34,784 | - | 4,249 | 39,033 |
| | <u>6,017,863</u> | <u>328,260</u> | <u>1,440,254</u> | <u>7,786,377</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure (continued)

In 2019, of the total expenditure of £7,786,377 (2018: £7,495,905) £625,110 (2018: £422,170) was to unrestricted funds, £7,022,677 (2018: £6,953,063) was to restricted funds and £138,590 (2018: £120,672) was to restricted fixed asset funds.

| | Staff Costs 2018 £ | Premises 2018 £ | Other 2018 £ | Total 2018 £ |
|--|--------------------------|-----------------------|--------------------|--------------------|
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | 553,563 | - | 117,790 | 671,353 |
| Academy's educational operations: | | | | |
| Direct costs | 4,140,929 | 14,468 | 581,864 | 4,737,261 |
| Allocated support costs | 1,074,083 | 339,045 | 607,700 | 2,020,828 |
| Teaching school | 47,060 | - | 19,403 | 66,463 |
| Total 2018 | <u>5,815,635</u> | <u>353,513</u> | <u>1,326,757</u> | <u>7,495,905</u> |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ |
|----------------------------------|---|-------------------------------|-----------------------------|
| Academy's educational operations | <u>4,950,148</u> | <u>2,115,372</u> | <u>7,065,520</u> |

| | Activities undertaken directly 2018 £ | Support costs 2018 £ | Total funds 2018 £ |
|----------------------------------|---|-------------------------------|-----------------------------|
| Academy's educational operations | <u>4,737,261</u> | <u>2,020,828</u> | <u>6,758,089</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2019 £ | Total funds 2018 £ |
|---|---------------------------------------|---------------------------------------|
| Teaching and educational support staff wages and salaries | 4,318,135 | 4,140,929 |
| Pension finance costs | 26,939 | 29,814 |
| Depreciation | 138,590 | 120,672 |
| Technology costs | 11,100 | 7,184 |
| Educational supplies | 139,244 | 120,449 |
| Educational consultancy | 74,900 | 43,628 |
| Other direct costs | 241,240 | 274,585 |
| | <u>4,950,148</u> | <u>4,737,261</u> |

Analysis of support costs

| | Total funds 2019 £ | Total funds 2018 £ |
|----------------------------------|---------------------------------------|---------------------------------------|
| Support staff wages and salaries | 1,107,138 | 1,074,083 |
| Pension finance costs | 33,061 | 32,186 |
| Technology costs | 62,729 | 65,993 |
| Premises costs | 358,373 | 322,914 |
| Other support costs | 509,693 | 466,872 |
| Governance costs | 44,378 | 58,780 |
| | <u>2,115,372</u> | <u>2,020,828</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of specific expenses

Included within expenditure are the following transactions:

| | Total £ | Individual items above £5,000 Amount £ | Reason |
|-------------------------|--------------------|---|--|
| Gifts made by the trust | 31 | - | |
| Unrecoverable debts | 11,230 | 11,230 | Write off irrecoverable debts in relation to staff recharge to Diocese of Portsmouth |
| Fixed asset losses | 513 | - | |

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Operating lease rentals | 32,604 | 52,923 |
| Depreciation of tangible fixed assets - owned by charity | 138,590 | 120,672 |
| Fees paid to auditors for: | | |
| - audit | 20,000 | 20,000 |
| - other services | 15,548 | 13,500 |
| | 208,742 | 207,195 |

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|---------------------------|-------------------|-------------------|
| Wages and salaries | 4,432,916 | 4,304,847 |
| Social security costs | 341,367 | 330,597 |
| Pension costs | 1,086,542 | 1,040,750 |
| | 5,860,825 | 5,676,194 |
| Agency staff costs | 154,395 | 139,441 |
| Staff restructuring costs | 2,643 | - |
| | 6,017,863 | 5,815,635 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Staff costs (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

| | 2019 £ | 2018 £ |
|---------------------|---------------------|-----------|
| Redundancy payments | 2,643 | - |
| | <u>2,643</u> | <u>-</u> |

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

| | 2019 No. | 2018 No. |
|----------------------------|--------------------|-------------|
| Teachers | 74 | 65 |
| Administration and support | 168 | 186 |
| Management | 14 | 19 |
| | <u>256</u> | <u>270</u> |

c. Higher paid staff

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

| | 2019 No. | 2018 No. |
|-------------------------------|--------------------|-------------|
| In the band £60,001 - £70,000 | 3 | 3 |
| In the band £70,001 - £80,000 | 1 | - |
| | <u>4</u> | <u>3</u> |

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,527,549 (2018: £1,408,808)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Administration and governance costs

The Academy Trust charges for these services on the following basis:

1.5% of GAG funding per school

The actual amounts charged during the year were as follows:

| | 2019 £ | 2018 £ |
|---|---------------|-----------|
| St Edmund Campion Catholic Primary School | 21,978 | - |
| St Francis Catholic Primary School | 11,815 | - |
| St Margaret Clitheroe Catholic Primary School | 12,314 | - |
| St Mary's Catholic Primary School | 17,145 | - |
| St Teresa's Catholic Academy | 18,660 | - |
| St Edmund Campion Pre School | 2,378 | - |
| St Mary's Pre School | 1,395 | - |
| Total | 85,685 | - |

There were no central services in 2018.

13. Related party transactions - trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

| | | 2019 £ | 2018 £ |
|----------------------------|----------------------------|-----------------|-----------------|
| D Masters, Staff Trustee | Remuneration | 65,000 - 70,000 | 60,000 - 65,000 |
| | Pension contributions paid | 10,000 - 15,000 | 10,000 - 15,000 |
| K Foreman, Staff Trustee | Remuneration | 45,000 - 50,000 | |
| Appointed 1 September 2018 | Pension contributions paid | 5,000 - 10,000 | |

Trustees' remuneration for Trustees who resigned prior to 1 September 2018 has not been disclosed.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was not separately identifiable from the total premium (2018 - not separately identifiable from the total premium).

15. Tangible fixed assets

| | Long term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 September 2018 | 4,405,311 | 531,808 | 294,813 | 5,231,932 |
| Additions | 200,920 | 438,168 | 33,425 | 672,513 |
| Disposals | - | - | (24,319) | (24,319) |
| At 31 August 2019 | 4,606,231 | 969,976 | 303,919 | 5,880,126 |
| Depreciation | | | | |
| At 1 September 2018 | 15,987 | 125,849 | 171,645 | 313,481 |
| Charge for the year | 16,874 | 61,819 | 59,897 | 138,590 |
| On disposals | - | - | (23,806) | (23,806) |
| At 31 August 2019 | 32,861 | 187,668 | 207,736 | 428,265 |
| Net book value | | | | |
| At 31 August 2019 | 4,573,370 | 782,308 | 96,183 | 5,451,861 |
| At 31 August 2018 | 4,389,324 | 405,959 | 123,168 | 4,918,451 |

Included in long-term leasehold property is £3,523,951 (2018: £3,523,951) for land which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 146,749 | 129,572 |
| Other debtors | 8,129 | 12,978 |
| Prepayments and accrued income | 393,473 | 166,313 |
| VAT recoverable | 148,435 | 128,169 |
| | <u>696,786</u> | <u>437,032</u> |

17. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Charge cards | 757 | 1,908 |
| Trade creditors | 209,312 | 157,978 |
| Other taxation and social security | 85,320 | 84,013 |
| Other creditors | 20,330 | 33,344 |
| Accruals and deferred income | 590,248 | 401,626 |
| | <u>905,967</u> | <u>678,869</u> |

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Deferred income at 1 September 2018 | 288,344 | 213,136 |
| Resources deferred during the year | 249,759 | 288,344 |
| Amounts released from previous periods | (288,344) | (213,136) |
| | <u>249,759</u> | <u>288,344</u> |

Deferred income relates to amounts received in advance in respect of rates reimbursement, universal infant free school meals grant, PSA income, pre school grants and school trip income.

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General unrestricted funds | 486,060 | 621,522 | (625,110) | - | - | 482,472 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 144,942 | 5,312,676 | (5,030,709) | (128,146) | - | 298,763 |
| Pupil premium | - | 100,473 | (96,791) | - | - | 3,682 |
| Other DfE/ESFA grants | - | 399,110 | (396,147) | - | - | 2,963 |
| Other local authority revenue income | - | 561,170 | (561,170) | - | - | - |
| Other restricted funds | - | 467,904 | (464,827) | - | - | 3,077 |
| Transfer from LA on conversion | 965,346 | - | - | - | - | 965,346 |
| MAT grant | 16,376 | - | - | - | - | 16,376 |
| Teaching school | 54,934 | 47,389 | (39,033) | - | - | 63,290 |
| Pension reserve | (2,424,000) | - | (434,000) | - | (499,000) | (3,357,000) |
| | <u>(1,242,402)</u> | <u>6,888,722</u> | <u>(7,022,677)</u> | <u>(128,146)</u> | <u>(499,000)</u> | <u>(2,003,503)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 4,918,451 | - | (138,590) | 672,000 | - | 5,451,861 |
| Devolved formula capital | 16,672 | 99,203 | - | (75,269) | - | 40,606 |
| Capital improvement fund | 3,248 | 582,005 | - | (458,647) | - | 126,606 |
| Donations | - | 11,549 | - | (9,938) | - | 1,611 |
| | <u>4,938,371</u> | <u>692,757</u> | <u>(138,590)</u> | <u>128,146</u> | <u>-</u> | <u>5,620,684</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|-----------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Total Restricted funds | 3,695,969 | 7,581,479 | (7,161,267) | - | (499,000) | 3,617,181 |
| Total funds | 4,182,029 | 8,203,001 | (7,786,377) | - | (499,000) | 4,099,653 |

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education & Skills Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

All general funds are held for the purposes of education in line with the Academy's objectives.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period and funded from GAG.

The restricted fixed asset fund represents the net book value of capitalised fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 | 2018 |
|--|--------------------|-------------|
| | £ | £ |
| St Edmund Campion Catholic Primary School | 474,198 | 413,401 |
| St Francis Catholic Primary School | 179,348 | 146,464 |
| St Margaret Clitherow Catholic Primary School | 120,306 | 117,907 |
| St Mary's Catholic Primary School | 187,934 | 203,862 |
| St Teresa's Catholic Academy | 542,186 | 486,634 |
| Central Services | 3,897 | 16,460 |
| St Edmund Campion Pre School | 234,028 | 197,614 |
| St Mary's Pre School | 30,782 | 30,382 |
| Teaching School | 63,290 | 54,934 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 1,835,969 | 1,667,658 |
| Restricted fixed asset fund | 5,620,684 | 4,938,371 |
| Pension reserve | (3,357,000) | (2,424,000) |
| | <hr/> | <hr/> |
| Total | 4,099,653 | 4,182,029 |
| | <hr/> <hr/> | <hr/> <hr/> |

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2019 £ |
|--|---|--------------------------------------|------------------------------|---|--------------------|
| St Edmund Campion Catholic Primary School | 1,152,359 | 362,240 | 32,754 | 379,063 | 1,926,416 |
| St Francis Catholic Primary School | 599,874 | 171,247 | 30,839 | 250,865 | 1,052,825 |
| St Margaret Clitherow Catholic Primary School | 643,970 | 177,809 | 16,421 | 184,700 | 1,022,900 |
| St Mary's Catholic Primary School | 935,860 | 256,223 | 35,085 | 233,580 | 1,460,748 |
| St Teresa's Catholic Academy | 936,602 | 360,630 | 17,305 | 302,275 | 1,616,812 |
| Central Services | 46,488 | 35,197 | - | 63,499 | 145,184 |
| St Edmund Campion Pre School | 2,982 | 191,261 | 4,198 | 49,709 | 248,150 |
| St Mary's Pre School | - | 110,337 | 2,642 | 22,740 | 135,719 |
| Teaching School | 34,784 | - | - | 4,249 | 39,033 |
| Academy Trust | 4,352,919 | 1,664,944 | 139,244 | 1,490,680 | 7,647,787 |

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|--------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General unrestricted funds | 272,143 | 636,087 | (422,170) | - | - | 486,060 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 5,288,136 | (5,021,275) | (121,919) | - | 144,942 |
| Pupil premium | - | 111,940 | (111,940) | - | - | - |
| Other DfE/ESFA grants | - | 285,854 | (285,854) | - | - | - |
| Other local authority revenue income | - | 557,047 | (557,047) | - | - | - |
| Other restricted funds | - | 433,928 | (394,280) | (39,648) | - | - |
| Transfer from LA on conversion | 965,346 | - | - | - | - | 965,346 |
| MAT grant | 64,352 | - | (18,327) | (29,649) | - | 16,376 |
| Teaching school | 32,497 | 49,252 | (66,463) | 39,648 | - | 54,934 |
| Schools Direct income | - | 58,877 | (58,877) | - | - | - |
| Pension reserve | (2,494,000) | - | (439,000) | - | 509,000 | (2,424,000) |
| | <u>(1,431,805)</u> | <u>6,785,034</u> | <u>(6,953,063)</u> | <u>(151,568)</u> | <u>509,000</u> | <u>(1,242,402)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 4,425,458 | - | (120,672) | 613,665 | - | 4,918,451 |
| Transfer on LA on conversion | 29,820 | - | - | (29,820) | - | - |

FRASSATI CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|-----------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Devolved formula capital | 17,708 | 36,650 | - | (37,686) | - | 16,672 |
| Capital improvement fund | 259,209 | 29,345 | - | (285,306) | - | 3,248 |
| Donations | - | 109,285 | - | (109,285) | - | - |
| | <u>4,732,195</u> | <u>175,280</u> | <u>(120,672)</u> | <u>151,568</u> | <u>-</u> | <u>4,938,371</u> |
| Total Restricted funds | <u>3,300,390</u> | <u>6,960,314</u> | <u>(7,073,735)</u> | <u>-</u> | <u>509,000</u> | <u>3,695,969</u> |
| Total funds | <u><u>3,572,533</u></u> | <u><u>7,596,401</u></u> | <u><u>(7,495,905)</u></u> | <u><u>-</u></u> | <u><u>509,000</u></u> | <u><u>4,182,029</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|-------------------------------|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 5,451,861 | 5,451,861 |
| Current assets | 404,180 | 2,337,756 | 168,823 | 2,910,759 |
| Creditors due within one year | 78,292 | (984,259) | - | (905,967) |
| Pension scheme liability | - | (3,357,000) | - | (3,357,000) |
| Total | 482,472 | (2,003,503) | 5,620,684 | 4,099,653 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Total funds 2018 £ |
|-------------------------------|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 4,918,451 | 4,918,451 |
| Current assets | 486,060 | 1,860,467 | 19,920 | 2,366,447 |
| Creditors due within one year | - | (678,869) | - | (678,869) |
| Pension scheme liability | - | (2,424,000) | - | (2,424,000) |
| Total | 486,060 | (1,242,402) | 4,938,371 | 4,182,029 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Reconciliation of net income to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| Net income for the year (as per Statement of Financial Activities) | 416,624 | 100,496 |
| Adjustments for: | | |
| Depreciation | 138,590 | 120,672 |
| Capital grants from DfE and other capital income | (692,757) | (175,280) |
| Interest receivable | (2,874) | (2,908) |
| (Increase)/decrease in debtors | (187,604) | 313,935 |
| Increase in creditors | 55,306 | 48,708 |
| Pension adjustments | 434,000 | 439,000 |
| Disposal of tangible fixed assets | 513 | - |
| Net cash provided by operating activities | 161,798 | 844,623 |

21. Cash flows from investing activities

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 2,874 | 2,908 |
| Purchase of tangible fixed assets | (411,199) | (583,845) |
| Capital grants from DfE Group | 519,536 | 65,995 |
| Capital funding received from sponsors and others | 11,549 | 109,285 |
| Net cash provided by/(used in) investing activities | 122,760 | (405,657) |

22. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| Cash in hand | 2,213,973 | 1,929,415 |
| Total cash and cash equivalents | 2,213,973 | 1,929,415 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Capital commitments

| | 2019 | 2018 |
|--|-----------------------|-----------------|
| | £ | £ |
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | 203,394 | - |
| | <u><u>203,394</u></u> | <u><u>-</u></u> |

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal Borough of Windsor and Maidenhead. 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 year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of Teachers Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £409,710 (2018 - £362,880).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £367,000 (2018 - £339,000), of which employer's contributions totalled £280,000 (2018 - £256,000) and employees' contributions totalled £ 87,000 (2018 - £83,000). The agreed contribution rates for future years are 19.6% for employers and between 5.5 and 12.5% for employees.

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

Principal actuarial assumptions

| | 2019 | 2018 |
|--|--------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.70% | 3.80% |
| Rate of increase for pensions in payment/inflation | 2.20% | 2.30% |
| Discount rate for scheme liabilities | 1.85% | 2.65% |
| Inflation assumption (CPI) | 2.20% | 2.30% |
| RPI increases | 3.20% | 3.30% |

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

| | 2019 | 2018 |
|-----------------------------|--------------|--------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 22.1 | 23.1 |
| Females | 24.0 | 25.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.7 | 25.3 |
| Females | 25.8 | 27.5 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

Sensitivity analysis - present value of total obligation

| | 2019 | 2018 |
|--|--------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | 5,506 | 4,145 |
| Discount rate -0.1% | 5,780 | 4,350 |
| Mortality assumption - 1 year increase | 5,840 | 4,382 |
| Mortality assumption - 1 year decrease | 5,449 | 4,114 |
| CPI rate +0.1% | 5,764 | 4,337 |
| CPI rate -0.1% | 5,521 | 4,157 |

The Academy Trust's share of the assets in the scheme was:

| | At 31 August 2019 | At 31 August 2018 |
|-------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Equities | 1,273,000 | 854,000 |
| Bonds | 331,000 | 273,000 |
| Property | 288,000 | 250,000 |
| Cash and other liquid assets | 179,000 | 270,000 |
| Alternative assets and other funds | 213,000 | 175,000 |
| Total market value of assets | 2,284,000 | 1,822,000 |

The actual return on scheme assets was £125,000 (2018 - £68,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2019 | 2018 |
|---|------------------|-------------|
| | £ | £ |
| Current service cost | (578,000) | (632,000) |
| Past service cost | (74,000) | - |
| Interest cost | (60,000) | (62,000) |
| Administrative expenses | (2,000) | (1,000) |
| Total amount recognised in the Statement of Financial Activities | (714,000) | (695,000) |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

| | 2019 £ | 2018 £ |
|---|------------------|-----------|
| Opening defined benefit obligation | 4,246,000 | 3,922,000 |
| Current service cost | 578,000 | 632,000 |
| Interest cost | 113,000 | 103,000 |
| Employee contributions | 87,000 | 83,000 |
| Actuarial losses/(gains) | 571,000 | (482,000) |
| Benefits paid | (28,000) | (12,000) |
| Past service costs | 74,000 | - |
| Closing defined benefit obligation | 5,641,000 | 4,246,000 |

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| Opening fair value of scheme assets | 1,822,000 | 1,428,000 |
| Interest income | 53,000 | 41,000 |
| Actuarial gains | 72,000 | 27,000 |
| Employee contributions | 87,000 | 83,000 |
| Benefits paid | (28,000) | (12,000) |
| Administration expenses | (2,000) | (1,000) |
| Employer contributions | 280,000 | 256,000 |
| Closing fair value of scheme assets | 2,284,000 | 1,822,000 |

The amount shown in the Statement of Financial Activities is:

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| Changes in financial assumptions | (571,000) | 482,000 |
| Return on plan assets | 72,000 | 27,000 |
| Actuarial gains/(losses) on defined benefit pension schemes | (499,000) | 509,000 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

Pension commitments (continued)

| | 2019 £ | 2018 £ |
|--|--------------------|--------------------|
| The amount showing in the Balance Sheet is: | | |
| Present value of defined benefit obligation | (5,641,000) | (4,246,000) |
| Fair value of scheme assets | 2,284,000 | 1,822,000 |
| Defined benefit pension scheme liability | (3,357,000) | (2,424,000) |

25. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Not later than 1 year | 34,202 | 34,433 |
| Later than 1 year and not later than 5 years | 78,196 | 96,026 |
| | 112,398 | 130,459 |

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and 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 13, and the write off of the irrecoverable debt in relation to the staff recharge to the Diocese of Portsmouth of £11,230 (2018: invoice raised to the Diocese of Portsmouth in relation to the staff recharge of £40,120).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

28. Teaching school trading account

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|---------------|---------------|-----------|-----------|
| INCOME | | | | |
| DIRECT INCOME | | | | |
| Grant income | 46,618 | | 42,917 | |
| Other non grant income | | | | |
| Other income | 771 | | 6,335 | |
| Total income | | 47,389 | | 49,252 |
| Expenditure | | | | |
| DIRECT EXPENDITURE | | | | |
| Direct staff costs | 29,000 | | 37,590 | |
| Training and development | 4,249 | | 19,403 | |
| Total direct expenditure | 33,249 | | 56,993 | |
| Other expenditure | | | | |
| Other staff costs | 5,784 | | 9,470 | |
| Total expenditure | | 39,033 | | 66,463 |
| Transfers between funds excluding depreciation | | - | | 39,648 |
| Surplus from all sources | | 8,356 | | 22,437 |
| Teaching school balances at 1 September 2018 | | 54,934 | | 32,497 |
| Teaching school balances at 31 August 2019 | | 63,290 | | 54,934 |