

Company Registration No. 07696989 (England and Wales)

ASSISI CATHOLIC TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

Richard Luckin

ASSISI CATHOLIC TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 46

ASSISI CATHOLIC TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Alan Williams
Stephen Myers
Robert Simpson

Trustees

Mr F McEvoy (Chair of Trustees)
Mr D Micklewright
Mr J Parsad
Mr J Foster
Mr M Stewart
M Clayton-Cashell
A McCormick (Appointed 11 October 2019)
Mr J Upsher

Senior management team

G Ackred	- CAO & Headteacher St Thomas More High School
M Westpfel	- CFO
S Nutman	- Executive Headteacher Our Lady of Lourdes & Sacred Heart Primary School (resigned April 2019 Sacred Heart Primary School)
E Mouchel	- Headteacher St Helen's
P Parascondolo	-- Headteacher Our Lady of Ransom
A Delgado	- Headteacher St George's
J Walker	- Headteacher St Joseph's
P O'Kane	- Headteacher Holy Family
N Paterson	- Headteacher St Teresa's
J Mullally	- Headteacher Sacred Heart Primary School (appointed April 2019)

Clerk to the governors

NR Parr

Company registration number

07696989 (England and Wales)

Registered office

St Thomas More High School
Kenilworth Gardens
Westcliff on Sea
Essex
SS00BW

ASSISI CATHOLIC TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
St Thomas More High School	Westcliff-on-Sea	G Ackred
Our Lady of Lourdes Catholic Primary School	Leigh-on-Sea	S Nutman
Sacred Heart Catholic Primary School	Southend-on-Sea	J Mullally
St Joseph's Catholic Primary School	Canvey Island	J Walker
Holy Family Catholic Primary School	Benfleet	P O'Kane
Our Lady of Ransom Catholic Primary School	Rayleigh	P Parascondolo
ST Teresa's Catholic Primary School	Rochford	N Paterson
St Helen's Catholic Primary School	Westcliff-on-Sea	E Mouchel
St George's Catholic Primary School	Southend-on-Sea	A Delgado

Independent auditor

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

During the period the Trust operated eight primary schools and one secondary school serving the south east Essex deaneries in the Catholic Diocese of Brentwood.

The schools are:

- Our Lady of Lourdes Catholic Primary School
- Sacred Heart Catholic Primary School
- St Helen's Catholic Primary school
- St George's Catholic Primary school
- Holy Family Catholic Primary school
- St Joseph's Catholic Primary school
- St Theresa's Catholic Primary school
- Our Lady of Ransom Catholic Primary school
- St Thomas More High school

These schools have a combined pupil capacity of 3,416 and had a roll of 3,321 in the school census on October 2019

Structure, governance and management

Constitution

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

The charitable company is known as Assisi Catholic Trust.

The trustees of Assisi Catholic Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust has opted into the department for Education's risk protection arrangement (RPA) an alternative to the insurance where UK government funds cover losses that arise. The scheme protects the trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. It provides cover up to £10,000,000 and is explained in the 'Governors Liability' section of the RPA. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Method of recruitment and appointment or election of trustees

Full details are set out within the Articles of Association which detail type, number and process of appointing Trustees. The Diocesan Bishop appoints the members of the Trust. The members appoint the Trustees, taking into account the skills and expertise necessary for effective operation of the Board and to contribute fully to the Trust's development. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Articles of Association.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

As there are only normally a handful (one or two) new Trustees in a year and as the backgrounds of individual Trustees differs hugely, induction is via external formal training sessions plus informal induction tailored to the needs of the individual. Where necessary, training will be provided on educational legal and financial matters. All new trustees are encouraged to visit the various schools, to meet with the Headteacher, staff and pupils, and are provided with key documents such as the Articles of Association, the Scheme of Delegation, policies, procedures, minutes, budgets, accounts, plans and any other documents necessary to undertake their role as Trustees.

Organisational structure

The governance of the Academy is defined in the Memorandum of Understanding and Articles of Association together with the funding agreement with the Department of Education.

The Board of Trustees has the ultimate responsibility for Assisi Catholic Trust. The Trust has arranged its business in such a way that responsibilities and lines of accountability are clearly identified in the scheme of delegation. The Trustees are responsible for determining overall strategy, adopting an annual plan and budget, monitoring the Trust's financial and operational performance, reviewing the educational progress of all academies and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

Local Governing Committees (LGCs) at each Academy are committees of the Trust Board. They have delegated responsibility for key aspects of each school, including ensuring clarity of vision and ethos, holding the Headteacher to account and ensuring that funding is well spent. Risk management and governance is scrutinised by the Trust's Audit & Risk committee. The Trust Board, its committees and LGCs meet at least once every term.

The day-to-day management of the Trust is the responsibility of the Chief Executive Officer, who is also the Trust's Accounting Officer. Leadership and Management of each school within the Trust is delegated by Trustees to the Senior Leadership Team of each school.

The Board, in the performance of its duties, pays due regard to the regard the advice and information provided by the supporting committees and Trust committees.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel within the trust is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role, performance management and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

The Resources committee of Trustees approves all amendments to key management's pay and remuneration.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

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

Related parties and other connected charities and organisations

Owing to the nature of the academy's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

Objectives and activities

Objects and aims

Our mission is to inspire the children in our care and that our schools place Christ and the teaching of the Catholic Church at the centre of all we do. We believe that every child has a right to educational excellence and we will strive together in partnership to ensure this happens.

The aim of the Trust is to establish, maintain and develop Catholic schools (and other schools, subject to the approval of the Bishop) within the Diocese.

The principal objective and activity of the Trust in the period under review was to continue to improve the educational outcomes for all of its pupils. To support the spiritual, moral, social, cultural and physical development of each child, as well as maximising progress, achievement and attainment to ensure their intellectual growth and fulfilment of their potential.

We work together to train, develop and retain teachers, support staff and leaders.

We work together closely to support each other to strengthen our Catholic schools and to achieve economies of scale by being part of a larger buying group.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to guidance when reviewing the Company's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

Secondary School Achievements and Performance

In March 2020, the government took the difficult decision to cancel all exams due to take place in England in the summer 2020 as part of the fight to prevent the spread of coronavirus (COVID-19). The staff at St Thomas More High School worked tirelessly in the months that followed to ensure that our GCSE and A Level students were awarded a calculated grade which reflected their work and potential using historical data about themselves as a cohort and the school in previous examination results and progress made. The grades we submitted to examination boards were a calculated grade which followed the advice and guidance set by the Department, OfQual and the Exam Boards.

In the week before publication of GCSE results and days before the publication of A Level results, the Government altered this advice and guidance. We were momentarily asked to use mock grades and then finally to publish and released the Centre Assessed Grades to students to use for progression into Higher and Further Education or the Exam Board Moderated grade, whichever was the higher.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

St Thomas More High School

A Level average grade B-

A Level Progress Score using SISRA Analytics is 0.17 (confidence limits 0.28 – 0.07).

A* to B	53.4%
A* to C	82.6%
A* to E	100%

GCSE Achievement and Progress Data

St Thomas More High School using SISRA Analytics

Progress Measure	St Thomas More
Progress 8	+ 0.61
English Element	+0.51
Maths Element	+0.39
EBacc Element	+0.77
Open Element	+0.67

Subject	9 – 7 %	9 – 5 %	9 – 4 %	9 – 1 %
English	33.3	76	88	100
Maths	24	69.3	82.7	100
R.E.	26.8	78.5	90.6	100
Biology	40.5	97.3	100	100
Chemistry	51.4	100	100	100
Physics	54.1	97.3	100	100

Primary School Achievement and Progress Data

Following the cancellation of the 2019/20 national curriculum assessments, the Department for Education laid regulations which came into force on 9th July 2020, to remove the requirement to report the outcomes of key stages 1 and 2 tests or teacher assessments in this year's reports. These regulations also remove the requirement to include comparative information about the attainment of pupils of the same age in the school, or nationally, for this year's reports.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Skills Funding agency (ESFA). For the year ended 31 August 2020 the Trust received £20,713,924 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £20,276,920 on revenue expenditure and £nil on capital new build and improvement projects. The Academy brought forward from 18/19, £993,122 restricted funds and £2,435,200 unrestricted funding. The carry forward for 19/20 is £491,602 restricted funding and £2,871,724 unrestricted funding. Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £8,571,000, included in restricted funds. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves policy

The Trustees review the reserve levels of the Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held for reinvestment in individual schools, for specific capital projects, curriculum investment and to mitigate the impact of reductions to funding.

At 31 August 2020 the total funds comprised:

	£
Unrestricted	2,871,724
Restricted: Fixed asset funds	4,348,283
Pension reserve	(8,571,000)
Other	<u>4,714,319</u>
	<u>3,363,326</u>

Disclosure of funds in deficit is also included in the Funds Note in the financial statements.

Investment policy

Assisi Catholic Trust does not have any material investments. The Trust's Investment Policy enables Trustees to invest to further the Trust's charitable aims, whilst ensuring that investment risk is properly managed. The policy ensures that the security of funds takes precedence over revenue maximisation.

Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit & Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing an academy at an operational level are addressed by its systems and by Internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial and risk management objectives and policies

As a multi academy trust, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows

- Funding - the financial impact of future changes to funding levels from the DfE/ESFA as there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- staffing - teacher recruitment and retention;
- admissions - pupil numbers in an increasing competitive education landscape particularly in the smaller schools of the MAT;
- fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist. The main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust continues to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. Mitigating actions have been identified to address these risks.

Fundraising

There are no professional fundraising activities in Assisi Catholic Trust.

Plans for future periods

The strategic aims of the Assisi Catholic Trust are:

- To further develop the distinctive Catholic nature of the schools and the Trust.
- To build a culture of success and achievement across all schools in the Trust.
- To develop every child and young person so that they achieve and are successful, confident, independent and resilient learners for life.
- To develop and embed sustainable, high quality and robust Catholic leadership across the Trust,
- To develop inspirational teaching that fosters aspirational learning.
- To strengthen engagement between our schools and our communities expanding our Trust to include all Deanery schools.
- To prioritise excellence in facilities, staffing and resourcing.

The Key Priorities for the Trust 2020/2021 are to:

- Manage the continued expansion of three Trust schools in response to the local area demand for increased school places;
- Continue to develop succession plans for school leadership teams;
- Continue to work to improve and enhance condition of school premises and facilities;
- Further increase capacity at Trust schools by agreeing on central services to be delivered for the partnership contribution;
- Continue to work to deliver centrally driven supplier contracts;
- To adopt a challenging approach to staffing levels and costs in order to meet the decline in funding.

Funds held as custodian trustee on behalf of others

No funds are held as custodian trustee.

ASSISI CATHOLIC TRUST

TRUSTEES' REPORT (CONTINUED)

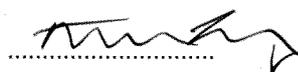
FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18/12/20 and signed on its behalf by:



Mr F McEvoy
Chair of Trustees

ASSISI CATHOLIC TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Assisi Catholic Trust and the Secretary of State for Education. The accounting officer is 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr F McEvoy (Chair of Trustees)	5	6
Mr D Micklewright	5	6
Mr J Parsad	6	6
Mr J Foster	4	6
Mr M Stewart	5	6
M Clayton-Cashell	5	6
A McCormick (Appointed 11 October 2019)	5	5
Mr J Upsher	6	6

Also in attendance were Gemma Ackred, the Trust's Chief Accounting Officer.

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to maintain oversight of the Trust's governance, risk management and internal control framework and report its findings to the Board of Trustees as a critical element of the Trust's annual reporting requirements. Any major issues or risks identified from the work of the Committee together with recommended solutions, will be referred to the Board of Trustees for ratification and inclusion within the Trust's Risk Management register.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr J Parsad	1	1
Mr M Stewart	1	1

Also in attendance was Gemma Ackred, the Trust's Chief Accounting Officer.

Resources Committee

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to consider and advise the Board on all aspects of strategy management and development of our people, premises and finances, to ensure sound management of the Trust's personnel, finances and resources, proper planning, monitoring, probity and value for money.

ASSISI CATHOLIC TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr F McEvoy (Chair of Trustees)	1	2
Mr D Micklewright	2	2
Mr J Foster	1	2
Mr J Upsher	1	2

Also in attendance was Gemma Ackred, the Trust's Chief Accounting Officer.

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Continuing to rigorously challenge performance of the academies in the MAT to demonstrate continued educational improvement.
- To introduce a centralised ICT infrastructure to ensure consistency
- To continuing to review a centralised condition improvement survey to develop a fair and equitable distribution of funds and review the asset management plan for the next 5-10 years.

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 Assisi Catholic Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

ASSISI CATHOLIC TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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;
- identification and management of risks.

The board of trustees has decided:

- to buy in an internal audit service from SBM Services.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- review of debtors and creditors;
- review of gifts and hospitality procedures
- review of teachers expenses

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- 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 audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 18/12/20 and signed on its behalf by:



Mr F McEvoy
Chair of Trustees



G Ackred
Accounting Officer

ASSISI CATHOLIC TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

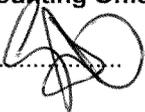
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

G Ackred
Accounting Officer

.....


ASSISI CATHOLIC TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 18/12/20 and signed on its behalf by:



Mr F McEvoy
Chair of Trustees

ASSISI CATHOLIC TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSISI CATHOLIC TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

ASSISI CATHOLIC TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSISI CATHOLIC TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

ASSISI CATHOLIC TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSISI CATHOLIC TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

18/12/20

Chartered Accountants
Statutory Auditor

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

ASSISI CATHOLIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 27 March 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Assisi Catholic Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Assisi Catholic Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Assisi Catholic 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 Assisi Catholic Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Assisi Catholic Trust's funding agreement with the Secretary of State for Education, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and key sub committees;
- evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- reviewing action taken as a result of recommendations from internal audit procedures, external audit, and ESFA updates;
- evaluating and documenting internal controls and testing their application by walkthrough;
- testing a sample of payments to ensure that they have been authorised in accordance with the Academy's financial procedures and the Academies Financial Handbook.

ASSISI CATHOLIC TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASSISI CATHOLIC TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Rickard Luckin Ltd

Reporting Accountant

Rickard Luckin Limited

Dated: *18/12/20*

ASSISI CATHOLIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £	
Income and endowments from:						
Donations and capital grants	3	-	1,468,038	744,460	2,212,498	6,488,453
Donations - transfer from local authority on conversion		-	-	-	-	(1,768,068)
Charitable activities:						
- Funding for educational operations	4	1,461,086	16,815,684	-	18,276,770	16,338,695
Other trading activities	5	217,113	-	-	217,113	459,221
Investments	6	7,543	-	-	7,543	5,581
Total		1,685,742	18,283,722	744,460	20,713,924	21,523,882
Expenditure on:						
Raising funds	7	10,600	-	-	10,600	-
Charitable activities:						
- Educational operations	8	950,691	19,244,466	71,163	20,266,320	19,090,182
Total	7	961,291	19,244,466	71,163	20,276,920	19,090,182
Net income/(expenditure)		724,451	(960,744)	673,297	437,004	2,433,700
Transfers between funds	17	(287,927)	287,927	-	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(502,000)	-	(502,000)	(1,074,000)
Net movement in funds		436,524	(1,174,817)	673,297	(64,996)	1,359,700
Reconciliation of funds						
Total funds brought forward		2,435,200	(2,681,864)	3,674,986	3,428,322	2,068,622
Total funds carried forward		2,871,724	(3,856,681)	4,348,283	3,363,326	3,428,322

ASSISI CATHOLIC TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	66,942	3,301,000	3,120,511	6,488,453
Donations - transfer from local authority on conversion		759,932	(2,528,000)	-	(1,768,068)
Charitable activities:					
- Funding for educational operations	4	148,795	16,189,900	-	16,338,695
Other trading activities	5	459,221	-	-	459,221
Investments	6	5,581	-	-	5,581
Total		<u>1,440,471</u>	<u>16,962,900</u>	<u>3,120,511</u>	<u>21,523,882</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	243,101	17,712,764	1,134,317	19,090,182
Total	7	<u>243,101</u>	<u>17,712,764</u>	<u>1,134,317</u>	<u>19,090,182</u>
Net income/(expenditure)		1,197,370	(749,864)	1,986,194	2,433,700
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,074,000)	-	(1,074,000)
Net movement in funds		1,197,370	(1,823,864)	1,986,194	1,359,700
Reconciliation of funds					
Total funds brought forward		1,237,830	(858,000)	1,688,792	2,068,622
Total funds carried forward		<u>2,435,200</u>	<u>(2,681,864)</u>	<u>3,674,986</u>	<u>3,428,322</u>

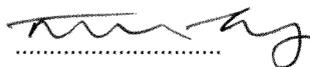
ASSISI CATHOLIC TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		3,567,131		3,638,294
Current assets					
Debtors	14	4,397,221		4,324,171	
Cash at bank and in hand		4,340,830		3,610,427	
		<u>8,738,051</u>		<u>7,934,598</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(370,856)		(815,570)	
Net current assets			8,367,195		7,119,028
Net assets excluding pension liability			11,934,326		10,757,322
Defined benefit pension scheme liability	19		(8,571,000)		(7,329,000)
Total net assets			<u>3,363,326</u>		<u>3,428,322</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			4,348,283		3,674,986
- Restricted income funds			4,714,319		4,647,136
- Pension reserve			(8,571,000)		(7,329,000)
Total restricted funds			491,602		993,122
Unrestricted income funds	17		2,871,724		2,435,200
Total funds			<u>3,363,326</u>		<u>3,428,322</u>

The accounts on pages 21 to 46 were approved by the trustees and authorised for issue on 15/12/20 and are signed on their behalf by:



Mr F McEvoy
Chair of Trustees

Company Number 07696989

ASSISI CATHOLIC TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(21,600)		(1,562,670)
Cash flows from investing activities					
Dividends, interest and rents from investments		7,543		5,581	
Capital grants from DfE Group		195,959		3,120,511	
Capital funding received from sponsors and others		548,501		-	
Purchase of tangible fixed assets		-		(2,357,737)	
Defined pension scheme obligation inherited		-		2,528,000	
Net cash provided by investing activities			752,003		3,296,355
Net increase in cash and cash equivalents in the reporting period			730,403		1,733,685
Cash and cash equivalents at beginning of the year			3,610,427		1,876,742
Cash and cash equivalents at end of the year			4,340,830		3,610,427

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:

Land and buildings	0% (7 years straight line on astro turf)
Assets under construction	0%
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement (Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	744,460	744,460	3,120,511
Other donations	-	1,468,038	1,468,038	3,367,942
	-	2,212,498	2,212,498	6,488,453

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	13,695,349	13,695,349	14,024,946
Start up grants	-	-	-	7,756
Other DfE group grants	-	1,890,189	1,890,189	1,359,596
	-	15,585,538	15,585,538	15,392,298
Other government grants				
Local authority grants	-	822,435	822,435	367,479
Other funding				
Other incoming resources	1,461,086	407,711	1,868,797	578,918
Total funding	1,461,086	16,815,684	18,276,770	16,338,695

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Lettings	14,809	-	14,809	17,467
Catering income	202,304	-	202,304	-
Other income	-	-	-	441,754
	<u>217,113</u>	<u>-</u>	<u>217,113</u>	<u>459,221</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other investment income	<u>7,543</u>	<u>-</u>	<u>7,543</u>	<u>5,581</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	10,600	10,600	-
Academy's educational operations					
- Direct costs	11,992,179	-	2,086,545	14,078,724	9,944,411
- Allocated support costs	2,672,441	2,222,652	1,292,503	6,187,596	9,145,771
	<u>14,664,620</u>	<u>2,222,652</u>	<u>3,389,648</u>	<u>20,276,920</u>	<u>19,090,182</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	49,460	33,000
- Other services	-	19,015
Depreciation of tangible fixed assets	71,163	85,248
Net interest on defined benefit pension liability	<u>131,000</u>	<u>133,000</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	803,196	13,275,528	14,078,724	9,944,411
Support costs				
Educational operations	147,495	6,040,101	6,187,596	9,145,771
	<u>950,691</u>	<u>19,315,629</u>	<u>20,266,320</u>	<u>19,090,182</u>
			2020 £	2019 £
Analysis of support costs				
Support staff costs			2,672,466	5,213,864
Depreciation			71,163	85,248
Technology costs			234,754	206,485
Premises costs			2,151,489	2,829,583
Legal & Professional			141,967	379,378
Other support costs			862,178	361,983
Governance costs			53,579	69,230
			<u>6,187,596</u>	<u>9,145,771</u>

9 Central services

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

- centralised payroll function;
- finance support.

The academy trust charges for these services on the following basis:

- flat 2% of GAG School Budget Share funding.

The amounts charged during the year were as follows:

	2020 £	2019 £
St Thomas More High School	100,556	52,344
Our Lady of Lourdes Catholic Primary School	29,855	29,895
Sacred Heart Catholic Primary School	27,478	23,348
St Joseph's Catholic Primary School	16,289	16,314
Holy Family Catholic Primary School	14,717	15,212
Our Lady of Ransom Catholic Primary School	26,175	32,041
ST Teresa's Catholic Primary School	14,823	15,182
St Helen's Catholic Primary School	26,746	24,203
St George's Catholic Primary School	17,237	17,080
	<u>273,876</u>	<u>225,619</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	10,714,284	10,757,755
Social security costs	899,377	886,778
Pension costs	2,932,041	2,398,537
	<hr/>	<hr/>
Staff costs - employees	14,545,702	14,043,070
Agency staff costs	58,589	55,789
Staff restructuring costs	60,329	-
	<hr/>	<hr/>
Staff development and other staff costs	32,159	39,538
	<hr/>	<hr/>
Total staff expenditure	14,696,779	14,138,397
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	60,329	-
	<hr/> <hr/>	<hr/> <hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60,329 (2019: £Nil). Individually, the payments were: £30,000; £5,383; £948; £1,264; £1,320; £527; £1317; £140; £12,009; and £7,422.

Staff numbers

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

	2020 Number	2019 Number
Teachers	181	192
Administration and support	274	325
Management	27	30
	<hr/>	<hr/>
	482	547
	<hr/> <hr/>	<hr/> <hr/>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	7	7
£70,001 - £80,000	7	6
£120,001 - £130,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £2,158,570 (2019: £937,875).

11 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £nil).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £nil).

12 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 was £Nil (2019: £Nil). The cost of this insurance is included in the total insurance cost.

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Assets under constructio n	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019 and 31 August 2020	3,360,862	118,543	454,159	392,342	4,325,906
Depreciation					
At 1 September 2019	213,267	-	354,664	119,681	687,612
Charge for the year	-	-	40,957	30,206	71,163
At 31 August 2020	213,267	-	395,621	149,887	758,775
Net book value					
At 31 August 2020	3,147,595	118,543	58,538	242,455	3,567,131
At 31 August 2019	3,147,595	118,543	99,495	272,661	3,638,294

The Academy Trust owns 5 acres of land which has been included in the accounts at nil value.

Included within freehold land is an astroturf pitch which has been included in the accounts based on the valuation provided by the Trustees using the depreciation replacement costs method. Trustees do not believe that the cost of obtaining a more detailed valuation outweighs the benefit.

The Academy Trust occupies land and buildings provided to it by the Diocesan trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Academy Trust occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan trustees under the agreement, the Diocesan trustees have concluded that the value of the land and building occupied by the Academy Trust will not be recognised or valued within fixed assets.

14 Debtors

	2020 £	2019 £
VAT recoverable	32,926	41,349
Other debtors	4,124,430	4,076,854
Prepayments and accrued income	239,865	205,968
	4,397,221	4,324,171

Amounts included above which fall due after more than one year:

	2020 £	2019 £
Other debtors	4,069,000	4,069,000

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	26,935	150,872
Other taxation and social security	-	220,606
Other creditors	5,387	64,142
Accruals and deferred income	338,534	379,950
	<u>370,856</u>	<u>815,570</u>

16 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	121,708	278,755
	<u>121,708</u>	<u>278,755</u>
Deferred income at 1 September 2019	278,755	267,221
Released from previous years	(278,755)	(267,221)
Resources deferred in the year	121,708	278,755
	<u>121,708</u>	<u>278,755</u>
Deferred income at 31 August 2020	<u>121,708</u>	<u>278,755</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	13,695,349	(13,462,418)	287,927	520,858
Other DfE / ESFA grants	578,136	1,890,189	(2,468,325)	-	-
Other government grants	-	822,435	(822,435)	-	-
Other restricted funds	4,069,000	1,875,749	(1,751,288)	-	4,193,461
Pension reserve	(7,329,000)	-	(740,000)	(502,000)	(8,571,000)
	<u>(2,681,864)</u>	<u>18,283,722</u>	<u>(19,244,466)</u>	<u>(214,073)</u>	<u>(3,856,681)</u>
Restricted fixed asset funds					
DfE group capital grants	3,674,986	744,460	(71,163)	-	4,348,283
	<u>3,674,986</u>	<u>744,460</u>	<u>(71,163)</u>	<u>-</u>	<u>4,348,283</u>
Total restricted funds	<u>993,122</u>	<u>19,028,182</u>	<u>(19,315,629)</u>	<u>(214,073)</u>	<u>491,602</u>
Unrestricted funds					
General funds	2,435,200	1,685,742	(961,291)	(287,927)	2,871,724
	<u>2,435,200</u>	<u>1,685,742</u>	<u>(961,291)</u>	<u>(287,927)</u>	<u>2,871,724</u>
Total funds	<u>3,428,322</u>	<u>20,713,924</u>	<u>(20,276,920)</u>	<u>(502,000)</u>	<u>3,363,326</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the education and Skills Funding Agency 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 Trust.

The Pupil Premium fund represents the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority revenue grants fund relates to the income received from Essex County Council as a contribution towards the cost of the Academy Trust's revenue expenditure.

The other Government Grants fund relates to grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The other Educational income fund relates to all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund relates to capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund. Expenditure relates to capital expenditure made from this fund but where not capitalised.

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 2020.

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	14,024,946	(14,024,946)	-	-
Other DfE / ESFA grants	-	1,367,352	(789,216)	-	578,136
Other government grants	-	367,479	(367,479)	-	-
Other restricted funds	2,125,000	3,731,123	(1,787,123)	-	4,069,000
Pension reserve	(2,983,000)	(2,528,000)	(744,000)	(1,074,000)	(7,329,000)
	(858,000)	16,962,900	(17,712,764)	(1,074,000)	(2,681,864)
Restricted fixed asset funds					
DfE group capital grants	1,688,792	3,120,511	(1,134,317)	-	3,674,986
Total restricted funds	830,792	20,083,411	(18,847,081)	(1,074,000)	993,122
Unrestricted funds					
General funds	1,237,830	1,440,471	(243,101)	-	2,435,200
Total funds	2,068,622	21,523,882	(19,090,182)	(1,074,000)	3,428,322

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
St Thomas More High School	1,304,816	994,106
Our Lady of Lourdes Catholic Primary School	231,369	242,371
Sacred Heart Catholic Primary School	581,486	553,569
St Joseph's Catholic Primary School	198,983	167,296
Holy Family Catholic Primary School	102,442	66,567
Our Lady of Ransom Catholic Primary School	130,368	88,936
ST Teresa's Catholic Primary School	(24,055)	24,541
St Helen's Catholic Primary School	348,592	205,961
St George's Catholic Primary School	197,089	223,661
Central services	445,953	446,328
Donation in Kind fund	4,069,000	4,069,000
	<u>7,586,043</u>	<u>7,082,336</u>
Total before fixed assets fund and pension reserve	7,586,043	7,082,336
Restricted fixed asset fund	4,348,283	3,674,986
Pension reserve	(8,571,000)	(7,329,000)
	<u>3,363,326</u>	<u>3,428,322</u>
Total funds	<u>3,363,326</u>	<u>3,428,322</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
St Thomas More High School	4,104,344	864,495	1,331,020	947,810	7,247,669	6,405,539
Our Lady of Lourdes Catholic Primary School	1,370,094	90,452	111,029	443,204	2,014,779	1,975,827
Sacred Heart Catholic Primary School	1,371,961	194,190	116,155	385,153	2,067,459	1,923,849
St Joseph's Catholic Primary School	638,256	148,165	51,086	207,421	1,044,928	1,251,075
Holy Family Catholic Primary School	681,348	156,625	51,564	183,918	1,073,455	1,180,285
Our Lady of Ransom Catholic Primary School	1,100,703	194,129	110,347	309,377	1,714,556	1,932,028
ST Teresa's Catholic Primary School	754,831	84,218	34,839	192,993	1,066,881	1,116,183
St Helen's Catholic Primary School	1,169,240	201,626	51,438	327,080	1,749,384	1,754,689
St George's Catholic Primary School	790,218	97,840	100,382	212,942	1,201,382	1,098,106
Central services	43,318	31,726	96,551	103,069	274,664	-
	<u>12,024,313</u>	<u>2,063,466</u>	<u>2,054,411</u>	<u>3,312,967</u>	<u>19,455,157</u>	<u>18,637,581</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	3,567,131	3,567,131
Current assets	2,865,537	5,091,362	781,152	8,738,051
Creditors falling due within one year	6,187	(377,043)	-	(370,856)
Defined benefit pension liability	-	(8,571,000)	-	(8,571,000)
Total net assets	<u>2,871,724</u>	<u>(3,856,681)</u>	<u>4,348,283</u>	<u>3,363,326</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	3,638,294	3,638,294
Current assets	2,435,200	5,462,706	36,692	7,934,598
Creditors falling due within one year	-	(815,570)	-	(815,570)
Defined benefit pension liability	-	(7,329,000)	-	(7,329,000)
Total net assets	2,435,200	(2,681,864)	3,674,986	3,428,322

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2019, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education on 31 March 2019.

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,630,836 (2019: £1,097,298).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.9% for employers and 5.5-12.5% 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.

Total contributions made	2020 £	2019 £
Employer's contributions	730,000	710,000
Employees' contributions	165,000	171,000
Total contributions	895,000	881,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	1.6	1.85
Inflation assumption (CPI)	2.3	2.2
Inflation assumption (RPI)	3.1	3.2

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.3
- Females	23.8	23.6
Retiring in 20 years		
- Males	23.2	23.0
- Females	25.2	25.4

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

	+0.1%	0.0%	-0.1%
Adjustment to discount rate	£000	£000	£000
Present value of total obligation	15,136	15,491	15,855
Projected service cost	1,486	1,530	1,575

	+0.1%	0.0%	-0.1%
Adjustment to long term salary increase	£000	£000	£000
Present value of total obligation	15,528	15,491	15,454
Projected service cost	1,530	1,530	1,530

	+0.1%	0.0%	-0.1%
Adjustment to pension increases and deferred revaluation	£000	£000	£000
Present value of total obligation	15,815	15,491	15,176
Projected service cost	1,574	1,530	1,488

	+1 Year	None	-1 Year
Adjustment to life expectancy assumptions	£000	£000	£000
Present value of total obligation	16,064	15,491	14,940
Projected service cost	1,586	1,530	1,475

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	4,286,000	4,298,000
Gilts	295,000	376,000
Other bonds	387,000	384,000
Cash and other liquid resources	188,000	199,000
Property	539,000	543,000
Other assets	1,225,000	1,016,000
Total market value of assets	<u>6,920,000</u>	<u>6,816,000</u>

The actual return on scheme assets was £188,000 (2019: £492,000).

Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	1,298,000	1,171,000
Past service cost	41,000	150,000
Interest cost	131,000	133,000
Total operating charge	<u>1,470,000</u>	<u>1,454,000</u>

Changes in the present value of defined benefit obligations

	2020 £
At 1 September 2019	14,146,000
Current service cost	1,294,000
Interest cost	264,000
Employee contributions	165,000
Actuarial (gain)/loss	(202,000)
Benefits paid	(217,000)
Past service cost	41,000
At 31 August 2020	<u>15,491,000</u>

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations (Continued)

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

	2020 £
At 1 September 2019	6,817,000
Interest income	133,000
Actuarial loss/(gain)	(708,000)
Employer contributions	730,000
Employee contributions	165,000
Benefits paid	(217,000)
	6,920,000
At 31 August 2020	6,920,000

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

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	437,004	2,433,700
Adjusted for:		
Capital grants from DfE and other capital income	(744,460)	(3,120,511)
Investment income receivable	(7,543)	(5,581)
Defined benefit pension costs less contributions payable	609,000	611,000
Defined benefit pension scheme finance cost	131,000	133,000
Depreciation of tangible fixed assets	71,163	85,248
(Increase) in debtors	(73,050)	(1,768,903)
(Decrease)/increase in creditors	(444,714)	69,377
Stocks, debtors and creditors transferred on conversion	-	759,932
	(21,600)	(802,738)
Net cash used in operating activities	(21,600)	(802,738)

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	3,610,427	730,403	4,340,830
	3,610,427	730,403	4,340,830

ASSISI CATHOLIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

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

	2020	2019
	£	£
Amounts due within one year	19,826	14,573
Amounts due in two and five years	31,935	37,425
	<u>51,761</u>	<u>51,998</u>

23 Related party transactions

Owing to the nature of the Academy Trust's operations 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 at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the following related party transactions took place:

Transactions relating to Mr J Parsad, a Trustee of Assisi Catholic Trust in the year:

The Academy made payments of £880 to JADA Education Limited, in which Mr Parsad's daughter is a director, for the provision of drama services. There were no outstanding amounts as at 31 August 2020 and the company has not been used by the Academy Trust since March 2020. The Academy Trust made the purchases at arm's length for which Board approval was sought. Mr Parsad did not participate in the approval process. In entering into the transaction the Academy Trust has complied with the requirement of the Academies financial Handbook.

24 Members' liability

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

25 Agency arrangements

The Academy Trust distributes 16-19 Bursary Funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the Academy Trust received £11,293 (2019: £12,087) and disbursed £11,293 (2019: £12,087) from the fund. An amount of £Nil (2019: £Nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.